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REGIONAL AFFAIRS

Iraqi Abuse of Egyptian Workers Cited

92AF0323A Cairo AL-WAFD in Arabic 2 Jan 92 p 3

[Article by Sayyid 'Abd-al-Mu'ti and Muhammad Raghib: "Egyptians at Gates of Iraqi Prisons, Mission To Solve Their Problems"]

[Text] In Iraq, 120,000 Egyptians face punishment by imprisonment and fine because their passports have expired. Hundreds of others fill Iraqi prisons, where they are subject to the most abominable kinds of torture and coercion. No one has inquired about them. Others are being forcibly expelled before they can settle their family and financial affairs. The Egyptian Government has been reluctant to send a mission to attend to Egyptian interests there, although 15 months have passed since diplomatic relations were broken between the two countries.

Although the Iraqi authorities have shown readiness to receive any official or unofficial Egyptian mission to end the problems of Egyptians and rectify their situation, our respected government has utterly ignored the matter, as if it wanted to rid itself of its own people!

The new facts before us about the conditions of Egyptians in Iraq after the end of the critical Gulf war are further evidence of the abominable crimes committed there against Egyptian workers over the past years—crimes documented by the thousands of coffins that have returned to Egypt carrying the bodies of young Egyptians who had helped build and develop Iraq.

AL-WAFD has discussed this crucial issue on its pages several times, warning the Egyptian Government about the increasingly grave conditions of Egyptians there. However, the government—every government—has closed its ears to what is happening to its people in Iraq and has left them to the mercy of Saddam's henchmen.

Two-Organization Delegation in Iraq

Because the situation of Egyptian workers in Iraq is worsening and moving toward a critical turn, a delegation from the Arab and Egyptian human rights organizations visited Iraq last month to study conditions of the Egyptian community there. The delegation included Muhsin 'Awwad, assistant secretary general of the Arab Human Rights Organization, representing the Arab organization, and Najad al-[Bar'i], a member of the Egyptian organization's executive bureau, representing the Egyptian organization. Dr. Nadir Farjani, who is on the board of trustees of both the Arab and Egyptian organizations, headed the delegation. In its seven days of discussions and meetings with Iraqi officials and visits with Egyptian workers, the delegation recorded everything it saw in a report that was published last week. As noted in the report, the delegation presented Iraqi officials with information it had about summary expulsions of Egyptians from Iraq and about the mistreatment accompanying

these expulsions. Egyptians had been prevented from settling their financial and family affairs in Baghdad. Many Egyptians had been detained in various Iraqi prisons. In particular, hundreds of Egyptian workers were rumored to have been arrested in the course of events in southern Iraq. There were rumors of cases of torture among them. As mentioned in the report, the delegation set forth some of the injury or mistreatment that Egyptians had experienced in deportation prisons and presented Iraqi officials with a list containing information about approximately 80 cases of Egyptians whose communication with their families had been interrupted and about whose fate nothing was known.

The report goes on to state that the Iraqi authorities affirmed to the two-organization delegation that there was a directive from the highest level of the Iraqi Government to treat Egyptians well; they enjoyed equal treatment with Iraqis, even in the system of distributing supply quotas to them. Although the officials denied having statistics about the number of Egyptians in Iraq, the Iraqi Government's reply to the Arab Human Rights Organization's report—the reply was delivered directly to the mission—set the number of Egyptians in Iraq at 120,000 in 1990 and 99,000 in 1991.

According to the report, the mission was told that the problems facing Egyptians in Iraq could be summarized as follows:

First, there was the problem of expired or lost Egyptian passports without the existence of an interest section to handle passport renewals. Although the Iraqi Foreign Ministry's Consular Department tried to deny the report that Iraqi identity cards depend on the validity of one's passport, the department subsequently confirmed that this was the case. The expiration of the passport is followed by the arrest of the Egyptian citizen and his expulsion, after he spends a lengthy period in deportation prison and suffers mistreatment. The Egyptian Government bears the chief responsibility for this state of affairs because it has not sent a mission to care for its interests, although long months have passed since diplomatic relations were broken. In this regard, the delegation from the two organizations asked the Iraqi Foreign Ministry to try to extend the expiration date of the identity cards of Egyptians in Iraq until the passport problem is solved. Iraqi officials promised to advocate this.

Second, the problem of remittances by Egyptians working in Iraq continues. These remittances stopped completely after Iraqi deposits abroad were frozen.

Third, Egyptians working in Iraq said that the problem of communications with the home country was urgent. They had rumors that Iraq had restored communications with Egypt, but that Egypt was refusing to receive these communications.

Fourth, there remained some Egyptians imprisoned because of events in the south who had still not been tried.

Contradictory Iraqi Information

The report states that Iraqi authorities promised to provide the two-organization delegation with a list of Egyptians imprisoned or detained in Iraqi prisons and the reasons for their imprisonment. They also promised to provide the mission with any information that might reach them about persons with whom contact had been lost. The mission had asked to visit the Baghdad deportation prison, but received no response. It proved impossible to get an appointment to meet any official of the Ministry of Labor and Social Affairs, the agency that supervises prisons in Iraq.

The report also states that Iraqi officials supplied the delegation from the two organizations with lists of deaths among Egyptians in Iraq from January 1990 to the end of December 1990. The list contained 451 deaths, compared with 1,136 deaths in 1989. The mission noted the existence of a contradiction in the information given to it by Iraqi authorities. Whereas the aforementioned reports set the number of deaths in 1990 at 451, Iraqi authorities handed the mission a reply to the report of the Arab Human Rights Organization stating that there had been only 232 deaths. Apart from the question of the completeness of the information about those listed, cursory analysis of the causes for death stated with the names shows that most of the deceased did not die of natural causes and that the causes included cases of execution and murder.

In an interview, Lawyer Najad al-[Bar'i], a member of the mission that traveled to Iraq to discuss the conditions of Egyptians there, told us that there are other problems facing Egyptians there. Because there is no Egyptian mission to tend to the affairs of Egyptian citizens, Egyptian families cannot register their newborn children. Most Egyptians remaining in Iraq have business interests—for example, they own stores or restaurants—and have been forced to stay to settle their affairs.

Najad al-[Bar'i] stated that responsibility for the deteriorating conditions of Egyptians in Iraq lay with the Egyptian Government, which should hasten to send a mission to tend to their affairs and work to solve their problems.

Red Cross Role

At the Cairo office of the International Red Cross, office director Mr. Roland [Hugirn] said: "The problem of the expiration of the passports of Egyptian workers in Iraq is one that began at the time of the Iraqi invasion of Kuwait, particularly after diplomatic relations between Iraq and Egypt were severed. Consequently, Egyptians no longer had diplomatic representation in Baghdad. Egyptians whose passports had expired went to the Baghdad office of the Red Cross for help in renewing them, so as not to become subject to punishment under Iraqi law and to avoid imprisonment and fine. The officials at the Baghdad office performed an effective role in serving Egyptians and others in a similar situation. The office would collect Egyptians' passports,

deliver them to the Egyptian consulate in Amman, Jordan, for renewal, and then return them to their owners in Iraq. In fact, the office even transported, at its own expense, some Egyptians who had lost their passports or money in Iraq."

Mr. (Hugirn) stated: "The Baghdad office of the Red Cross continued its role of helping Egyptian workers anywhere in Iraq with any kind of help. Our Baghdad office was in constant contact with us through Geneva, keeping us up to date about the conditions of Egyptians there. We here in Cairo undertook to inform the Egyptian Foreign Ministry of all that was happening. We asked them to move quickly to save Egyptians who were in danger in Iraq, and we put all our facilities at their disposal to help such moves. Our role continued in this way until we were surprised by an Iraqi Government decision forbidding the Baghdad office of the Red Cross to help Egyptians, on the pretext that the office was not responsible for renewing the passports of Egyptians. The decision withdrew our right to contact any Egyptian to help him renew his passport. This violates the 1949 Geneva agreements and their appendices, which define the role of the Red Cross in such circumstances."

Mr. (Hugirn) wondered about the role of the Egyptian mission that is to travel to Iraq to oversee Egyptian interests through the Indian embassy: Will it have the facilities to renew the passports of 120,000 Egyptians, or will its role be only to oversee Egyptian interests?

Office director Mr. Roland (Hugirn) stated that the Cairo office of the Red Cross would contact the Egyptian Foreign Ministry as soon as possible to find out what would take place in this regard and would, if asked, offer every facility for efforts and assistance.

Ambassador 'Abd-al-Mun'im Ghunaym, former head of the Egyptian interests section from 1984 to 1987, said: "Egyptians in Iraq have no definite [term of] residence. What defines their residence is the validity of their passports. This residence is not as important at present as it used to be when Egyptians were using their passports to transfer their wealth to Egypt or at the time they were preparing to return. With travel halted between the two countries, the question of renewing passports is not an excuse to which the Iraqi authorities can cling."

He added: "It would have been better for an Egyptian mission to have gone immediately after diplomatic relations were broken between Iraq and Egypt to tend to Egyptian interests there. The 1949 Vienna agreement provides for the creation of an interest section in both countries that are severing their diplomatic relations. As I said, had this mission gone, hundreds of thousands of Egyptians would not have been exposed to endless problems in Iraq, and 120,000 Egyptians would not be risking imprisonment and fine because of expired passports. We in Egypt, particularly the Foreign Ministry, know that Iraq issued a regulation in 1982 that any

non-Iraqi foreigner living in Iraq would be considered in violation of the law if his passport expired without renewal."

Ambassador Ghunaym stated: "An identity card is issued to every Arab who travels to Iraq immediately upon arrival by application to the Arab Affairs Office. The expiration date of this card is usually linked to the expiration date of the passport. As for the 120,000 Egyptians whose passports have expired, we do not know what will happen to them if they apply to the Residence Department in Baghdad, unless the Iraqi authorities make an exception for them and renew their residence identification cards until the Egyptian interests section working through the Indian embassy to care for Egyptian interests can renew their passports."

Ambassador 'Abd-al-Mun'im Ghunaym asks the Egyptian Government, after solving the problem of the Egyptians in Iraq, to take up the question of their return to their country, Egypt, for they are living in the painful conditions that Iraq is now experiencing. "I hope the Iraqi regime will not resort to applying arbitrary measures against Egyptians there, even if the grace period it has given them ends. Perhaps the goal of the Iraqi regime in this affair is to prove its good intent toward Egypt and its hope for an Egyptian interests section to return to Baghdad."

Government Without Mission

Dr. Ibrahim Dassuqi Abazah, head of the Wafd Party's Committee on Expatriates, said: "Despite what happened to the Egyptians in Iraq before and during the Gulf war, we are not surprised, nor do we find it strange, that the Iraqi Government should renew its assault on Egyptians and tighten its grip on them by demanding that they renew their passports, after having welcomed their presence and encouraged them to emigrate from Egypt to Iraq. We see no hope of correcting these conditions while Saddam's regime exists, with its dismal past with Egyptian workers. We think there must be an appeal to international bodies, the Arab League, human rights committees, and the Arab and international labor organizations to intervene with the Iraqi Government to preserve the rights and lives of Egyptians working in Iraq and to open the way for those who wish to return to Egypt. This is also the obligation of the Egyptian Government, which has been very remiss toward its people. Not once did it intervene seriously while it was honeymooning with Iraq and in regional unity with it. Never did the government intervene on behalf of its people to establish rules for Egyptians working in Iraq through bilateral agreements and treaties regulating the employment of Egyptian workers there. In fact, while the months of honeymoon were going on in the shadow of what was called the Arab Cooperation Council—during those very months of honeymoon, the coffins of Egyptians were streaming in."

Report on Growth in Underground Economy 92AF0319A Algiers EL MOUDJAHID in French 11 Jan 92 p 17

[Review by Y.A. of book *Nouvelles logiques marchandes au Maghreb (New Forms of Commercial Logic in the Maghreb)* by Philippe Hugon, Georges Duvigneau, and other researchers at the French National Center for Scientific Research; no further information provided]

[Text] The underground economy is prospering more than ever in the Maghreb countries. Whether in Algeria, Morocco, or Tunisia, the survival of millions of city dwellers depends upon what could be called "odd jobs." A group of researchers from the (French) National Center for Scientific Research (CNRS) has analyzed the reasons for this phenomenon in a book entitled *Nouvelles logiques marchandes au Maghreb (New Forms of Commercial Logic in the Maghreb)*. It is a status report.

The authors of *New Forms of Commercial Logic in the Maghreb* present the setting right from the start: "Independent activities," they admit, "have always existed in the Maghreb economies." But they add: "Today their expansion is manifest, and it is gaining speed." A few figures suffice to gauge the extent of the phenomenon: in the private sector, the underground economy accounts for more than one out of every two nonagricultural jobs in Morocco, one out of three in Tunisia, and one out of five in Algeria.

As is true in the regions of black Africa, the Maghreb's informal sector has its origin essentially in the rural exodus. The rate of urbanization in all three countries currently ranges from 40 to 50 percent, or 10 times more than was observed in the 1960's. And the growing appeal of the cities is in inverse proportion to the ability to create jobs in the formal economic structures.

Real Micro-Enterprises

In previous decades, the petroleum industry in Algeria and the phosphate industry in Morocco and Tunisia favored the rapid growth of the wage-earning class. But the situation has deteriorated since then. By way of example, the analysts at the CNRS say that in Algeria in 1986, there were 50,000 jobs in the modern sector, compared to 180,000 jobseekers. In Tunisia in that same period, there was a shortage of 70,000 jobs, compared to only 20,000 a decade earlier. "The absorption of workers by the modern sector seems illusory," concludes Philippe Hugon, one of the book's co-authors. The reason, he goes on to say, is that "the crisis has hit the Arab countries hard; it has revealed itself in a trade imbalance and in slower growth. Falling petroleum prices beginning in 1982, the drop in the price of mining products (phosphates, for example), and the cheaper dollar have reduced export earnings while indebtedness has increased the cost of debt service."

The implementation of structural adjustment programs under the leadership of the IMF and the World Bank has

not solved anything. Cutbacks in the work force are becoming imperative everywhere. And for those wage earners who keep their jobs, tight wage control is the rule. In Algeria, 50,000 jobs were eliminated in 1986, while the net number of new jobs being created fell by half. In Tunisia and Morocco, government studies showed an unemployment rate of 15 percent as early as 1987 (the latest year analyzed by the CNRS' experts). In 1990, that rate was estimated at 20 percent.

That being the case, the people thus affected by the crisis have only one choice: to turn to the underground economy. And they are doing so in various ways depending on the region, the country, and the laws.

Informal activities take various forms. They range from holding an unauthorized second job to engaging in illegal commerce and the establishment of real micro-enterprises whose distinguishing feature is that they remain unknown to the tax department.

Algerian 'Trabendos'

"In response to the rising cost of living," writes Georges Duvigneau, another co-author of the book, "the stagnation in wage earnings, and the continuous erosion of purchasing power, wage earners as a whole seek to increase their income by engaging in activities outside their working hours." This involves the use of equipment belonging to the firms employing them. For example, factory workers are transformed into part-time repairmen. But most of the big names in the informal sector are real pros who, in their own way, specialize in activities requiring a certain amount of know-how. This is the case with Moroccan craftsmen who manufacture farm implements and whose work is acknowledged by the observers from the CNRS to be "better adapted to local needs" than imported machinery is.

The same is true of piece workers. In the Fez region of Morocco, they constitute a genuine professional caste that cannot be circumvented. The craftsmen specializing in leather also work outside the formal channels. In Algeria, a network of radio and TV repairmen, automobile mechanics and electricians, refrigerator men, painters, locksmiths, and miscellaneous workers with ironware was created while the rigid state was trying to halt the development of private firms.

The informal sector sometimes turns to illegal activities, as is shown by the activity of smugglers known in Algeria as "trabendos." They cross from one side of the Mediterranean to the other with suitcases crammed full of products to be resold. Some are self-employed. Others work for a "boss" who finances the cost of their trips back and forth between Algeria and France. The CNRS book says: "Those professionals supply the retail market with good quality and fashionable clothing and accessories in particular. Watch batteries, for example, are practically unobtainable except from them."

After first ignoring the phenomenon, government authorities in the Maghreb have realized that the formal

[as published] sector participates in the transfer of know-how and in training (especially in the form of apprenticeship). Moreover, the informal "firms" are innovators in many areas. The manufacture of farm implements in Morocco is proof of that.

Some authorities have therefore undertaken to channel that underground economy. Their objective: to induce those artisans to join the modern economy. To that end, Algeria has adopted incentives to encourage the establishment of small private companies. But access to credit remains limited. Tunisia has set up a Handicrafts and Small Trades Promotion Fund, which is running into the same difficulties. In Morocco, the government has introduced loans "reserved especially for young promoters." But entrepreneurs "in the shadows" are reluctant to work in the open. The fact is that registering one's firm makes one subject to the tax law, which snaps up as much as 60 percent of a company's profits.

So in the absence of integration, the formal and informal sectors are continuing to coexist under the more or less tolerant eye of the government.

Spain Seeks To Expand Economic Relations

92AF0327Z Paris JEUNE AFRIQUE ECONOMIQUE
in French Jan 92 pp 28-29

[Article by Christophe Deschamps: "Spanish Eyeing Africa"]

[Text] Will Spanish companies soon be competing on African markets against their French, British, and German rivals? With all due respect to alarmists in France who predict that Africa's traditional partners (starting with French businesses) will soon be left in the dust by more energetic newcomers (mainly Spanish enterprises), African markets—which in any case have been sagging for the last few years—are not wide open to products from the [Iberian] peninsula. Despite the modernization of its industry during the 1980's, Spain still finds it difficult to gain access to these markets, due to ignorance of local commercial practices, a shortage of projects well adapted to African realities, and inertia that works to the advantage of traditional suppliers.

Tough Competition

True, in the transport sector various models of trucks manufactured by Spain's ENASA [expansion not given] (now under Fiat's control) have made "Pegaso" a popular make in Congo, Ivory Coast, Angola, and Morocco. Land Rover Santana has sold cars in Morocco, Zimbabwe, and Angola, where Nissan Iberia is also represented. But French, English, and Italian competition is tough, even in countries where Spain has a great deal of influence dating back to the colonial era—countries like Morocco and Equatorial Guinea, to which the Madrid government pays especially close attention (the head of government, Felipe Gonzalez, just made his first official visit there in late November). The advent of the CFA [African Financial Community] franc in that former

Spanish colony has opened the market to French enterprises established in neighboring countries. But the slump in international prices for coffee and cocoa, added to other factors, has ruined the Malabo government's financial prospects.

"African executives and industrialists don't really think of Spain as an industrialized country; Spanish companies must first demonstrate the technical quality of their products, whereas the high quality of French, English, and even Italian products is unquestioned," we were told by Pedro Diaz de Espada de la Brena, Africa area chief for SERCOBE, the Spanish Association of Equipment Manufacturers. That trade association, closely tied to CEOE (the association of Spanish employers), brings together nearly 300 enterprises and many sectoral associations, helping them identify export opportunities in markets reputedly difficult for Iberian industry to penetrate. SERCOBE's assistance could thus be critically important in efforts to export to Africa: "For example, our association can bring together several manufacturers to put together a package of road repair machines. Each machine is manufactured by a different company, and they might be worth 5 million pesetas each. With a separate contract for the purchase of each machine, there is no way to take advantage of favorable financing terms; but by putting everything together, it's a 50-million peseta contract, so we can obtain better financing terms from the client or financial institutions," concludes Pedro Diaz de Espada.

Despite problems, some companies are already successfully marketing their products in Africa. One such company is Elecnor, an electrical equipment company that won a big contract in Ivory Coast (close to \$100 million) and—with the help of the ADB [African Development Bank]—additional contracts in Senegal and Ghana; another is Cobra, which is responsible for railroad electrification in Angola and Morocco.

"We don't decide to work in a specific country, but we seize on opportunities that present themselves, and we keep an eye on countries covered by CESCE (the Spanish equivalent of COFACE [French Foreign Trade Insurance Company])," says the general manager of Montreal, Manuel Panizo Acosta, sitting in his Madrid office overlooking the Royal Palace and "Del Moro" gardens. Montreal, which specializes in assembly and installation of electrical equipment, has been working for 18 years in Zaire (in various contracts totaling \$40 million), five years in Angola, and in 1991 it signed a small contract in Cape Verde. Its various contracts with SNEL, the Zairian electricity company, involved all sorts of financing arrangements (the Zairian company's own funds, ADF [African Development Fund], Spanish aid loans), until the turmoil in recent months forced it to repatriate its personnel.

\$10 Million Contract

In Angola, current trends in the country and the recent establishment of a Spanish \$200-million line of credit

suggest there may be room for more of the kinds of activities Montreal has undertaken (the ADB is also considering provision of additional credits). Montreal has already carried out an electrification study of three southern villages for Angola's ENE [National Electricity Company]. It is currently fulfilling a \$10-million contract with EDEL [Luanda Electric Power Company], and another \$13-million contract has just been signed. "We bring in Angolans to work with our own crews. It's good when you can train local technicians on the scene," continues Manuel Panizo Acosta, explaining that the Spanish company arrives at contract worksites with its own fleet of vehicles and its own prefabricated housing.

Activity has also increased in the fishing sector, and Spanish companies are selling boats to Morocco, Angola, and Guinea (Conakry). Two companies—Pescera Gabrielitos and Ramon Vizcaino—are doing a high volume of work in Angola and have investments there. Pescera Gabrielitos, which is based in southern Spain at Huelva (the last Spanish port of call Christopher Columbus visited before crossing the Atlantic), has not only sold fishing boats but also built fish-processing facilities managed by Spaniards. The company is also responsible for training Angolan fishermen and explaining to them how to handle the boats. Ramon Vizcaino, an important San Sebastian-based company specializing in the manufacture of refrigeration equipment (cold rooms, ice making, and installation of slaughterhouses), has branches in Luanda and several provinces of the country where it equips fishing bases. Also, the company has won a suppliers' battle in Guinea (Conakry).

Sporadic Trade

With a refinery in Congo in the late 1970's, airplanes in Angola and Cameroon, and refrigerated containers sold to Togo, the Inta Eimer company has not been sitting on its hands. But Spanish investments in sub-Saharan Africa are a rarity! "Spanish companies will not invest in an African country unless its trade with Spain is sufficiently large and constant," declares Pedro Diaz de Espada.

A study of Spain's foreign trade statistics shows that except for trade with North Africa (110,000 million pesetas with Morocco in 1990, 142,000 million with Algeria), commercial relations with the biggest African partners are weak and sporadic. In 1990, trade with Angola was valued at 16,441 million pesetas (compared to 9,478 million in 1989 and 67,634 million in 1985); trade with Ivory Coast was valued at 23,758 million (versus 25,871 million and 27,681 million); and trade with Senegal was valued at 10,072 million (against 12,036 million and 14,816 million). Broken out separately, Spanish exports to sub-Saharan African states suffered an overall decline in 1990. Only four states registered a significant increase: Angola, Congo, Cameroon, and Liberia. By and large, except in a few spheres of activity affecting a limited number of African states, Spanish enterprises seem to have focused their

efforts on prospective EEC markets and meeting the needs of the domestic market.

PALESTINIAN AFFAIRS

Debate on Nature of Autonomous Economy

92AE0185A London AL-SHARQ AL-AWSAT in Arabic
11 Jan 92 p 10

[Article by Dr. Nabil Kawkali]

[Text] Jerusalem—The question of economic relations with the occupied territories should they become autonomous is generating wide debate in Israel as well as in the occupied territories. While the peace talks are faltering and the differences between the Arab and Israeli stands are still wide, the Israelis are starting to try to study the form of future economic relations.

About two years ago, only two members of the Israeli leadership voiced their ideas and views on future economic relations between Israel and the autonomous state. One of these was Dr. Ben-Basat, who, with the approval of the Governor of the Bank of Israel, formed a team to study the possibility of finding alternatives for this economic relationship.

The second man was Israeli Finance Minister Yitzhaq Moda'i, who set up a steering committee headed by Ben-Shahar to give him advice on this subject.

A higher committee headed by professor Gideon [Fishelson] was set up a month ago to deal with the administered areas and relations with Jordan. So far none of these committees have submitted any recommendations.

In the internal debates that have taken place thus far, three difficult subjects were put forward that are considered to be explosive issues. These are: minting a Palestinian currency, [Palestinian] demands for compensations, and the question of taxes. The Palestinians will make other demands, such as land, services, and their rights to water resources.

The Palestinian side is expected to adhere to these vital economic demands even if autonomy is established according to Likud plans.

Gideon Eshet, an Israeli economist says: "Unfortunately, Israel has no economic excuse to reject the demand for minting a Palestinian currency. If there are reasons for rejecting this request, they will be political, because the acceptance of an independent currency will be a clear sign of political independence. Every republic that has seceded from the Soviet Union or Yugoslavia has hastened to mint a currency of its own. For this reason, Israel will reject any similar Palestinian demand."

Continuing, he said: "Economically, minting a Palestinian currency will make no difference for us or for the

Palestinians, but the problem lies in linking this currency to a hard currency. Previously, Begin's government proposed linking the shekel to the dollar. Unlike before, the local currency is no longer of value because the world economy is in difficulty. The more important question is whether leaders of the autonomous state will be qualified to obtain loans and grants from the world market.

"In this case, the Israelis are afraid of instability, even inside Israel itself, because if the borders between Israel and the autonomous state are open, then Palestinian funds, which are expected to be large, will transfer part of the economic problem to Israel.

"With regard to the question of taxes, it has been noted that the Israelis, who are following the question of autonomy, attach great importance to the question of taxes. The question of direct taxation is no problem for the Israeli citizen, regardless of whether leaders of the autonomous state raise taxes or abolish them.

"Even nowadays, tax rates in the occupied territories are different from those in Israel, but the problem lies in indirect taxes.

"For example, if the borders are closed, increasing or decreasing taxes will cause no harm. But if the borders are open, it will be a tremendous problem, because the occupied territories will become a big shopping market. If the sales tax in Israel is high, then many Israeli citizens will go to shop beyond the green line, in the cities of the autonomous state."

Citing an example, the Israeli economist says: "In Israel today, there is one single area in which there are no sales taxes, that is Elat. Recently, there have been many reports about smuggling from Elat free zone to the north. Although the customs authorities have set up a checkpoint north of Elat, smuggling is continuing. All those concerned are aware that it would be difficult to establish tax checkpoints along the green line, particularly since such action would be an admission that borders between us and the autonomous rule do exist. Economically, such a solution would be against government policy. This problem remains, but not from the Palestinian viewpoint. A Palestinian economist said "If Israel insists on levying the sales tax, then we will not levy it. We will be content with whatever relations remain."

With regard to the third problem, considered by [Gideon Eshet] to be one of the most difficult questions, is that of compensations. He says: "For many years, Palestinian economists have been claiming that Israel is stealing Palestinian property, and they want compensation for that."

"Israel claims that all the taxes collected from the citizens go to the civil administration in the occupied territories and that, in fact, Israel provides additional funds from two other sources, one of which is the national security tax collected from Palestinian workers working in Israel, and the other from Israel's state budget allocations to the civil administration. Israel admits that

what it pays from the national insurance is not a subsidy from it, but funds levied from Palestinian workers, which are considered to be their right.

"Although Palestinian workers contribute to the national insurance just as the Israeli citizens, they do not enjoy similar rights. Therefore, there is the possibility of transferring part of the funds to the economic system in the occupied areas. Israel views any fund transfers from the state to the civil administration as a direct subsidy. The civil administration budget in 1991 was 850 million shekels, including 37 million shekels from the state of Israel to the civil administration.

"If Israel pays subsidy to the civil administration, by what right do the Palestinians demand compensation? Any review of the civil administration budget, which for some reason remains secret, would show that the Palestinians have plausible economic reasons to demand compensation. If the Palestinians demand \$100 million compensation for every year of the occupation, such demand has an economic justification as far as they are concerned. An examination of the method by which Israel obtains funds for the civil administration would show that it is the occupied territories that are subsidizing Israel."

On the Palestinian level, Palestinian economists have warned of Israel exploiting the autonomous rule period in order to establish a state of peace and to normalize relations with the Arab countries. If after three years, it does not give the Palestinians an independent state, then they will not be able to turn to any Arab country for help.

The Palestinians believe that Israel enjoys many major advantages that would allow it to achieve positive results in its endeavor to establish a Middle East market. It will benefit from the large size of the market and the availability of natural resources in it, such as water and oil, as well as the large population. The Palestinians expect Israel, in its regional role, to benefit from the theory of the superior economy.

Economist 'Adil Samarah says that "Israel is preparing blueprints and laying foundations for future relations. New licenses are being issued to build Arab factories, and manufacturing is being carried out in the settlements so that Israeli products can be sold and marketed inside the West Bank and Gaza."

A common characteristic of the industries that are being licensed is that they create no new jobs on the economic employment level. The licensing of such industries is done according to the Israeli producer's wishes. The newly-issued licenses will include Israeli partnership. They will be established within joint projects or through subcontracting for the production of goods that might become exportable to the Arab countries in the future.

Many of the joint Arab-Israeli industries are in the West Bank and Gaza. Most of the sewing and textiles projects are implemented through subcontracting. Through this method, Israel acquires ownership in the infrastructure

of the occupied territories, which would create a class of people who have no interest in the withdrawal of occupation. This action would eliminate the possibilities of self-reliance.

From this premise, the Palestinians look upon the autonomy stage as a transitional stage leading to self-determination, which will then lead either to an independent state or to confederation with Jordan. Abu-al-'Ala', head of the PLO economic department, says that "a just peace is what would determine the economic presence of such peace. Political peace is the horse that draws the economic cart. No economic relations can be set up or develop with any party if they are not quite clear and if political relations are not clearly defined.

"If a just peace that recognizes our peoples' full right to self-determination and to establish its own independent state, and that leads to withdrawal of the Israeli forces and the implementation of UN resolutions is achieved, then the economic face of peace will be exactly the same, whether during the interim period or during the final stage. This calls for providing the necessary funds for infrastructure reconstruction and development in order to create job opportunities, increase income, and develop economic capabilities. It also calls for providing opportunities to Palestinian investors throughout the world to invest in their home country and establish close economic, commercial, and technological ties with their own people. Furthermore, it calls for reaping full and free benefits from the close [Arab] ties and from the Arab depth in order to create investment resources, promote economic and social projects, and boost export capability."

Abu-al-'Ala' stressed the need to train workers in specialized skills in order to work inside and outside their country in accordance with agreements that would preserve their rights. He also called for reactivating the economic and social sectors "that have been closed down or suspended by the Israeli authorities, such as public institutions; cooperative societies; banks; and industrial, commercial, and tourist companies. This is in addition to science academies, universities, hospitals, and others. He also called for lifting restrictions on licensing public and private projects that the Israeli authorities have frozen, such as the commercial port of Gaza, the fishing port, the cement factory, Jerusalem international airport, and Gaza airport. This is in addition to a large number of industrial, agricultural, housing, and tourist projects that have been denied licensing because they compete with Israeli companies' goods and services. This also calls for lifting restrictions on natural grazing lands, forests, water, and public land, as well as the shores of Gaza and the Dead Sea. This would create opportunities for major investment and the employment of thousands of workers. This is in addition to encouraging creative individual initiatives and establishing public service institutions such as trade, transport, education, health, banks, financing, culture, media, tourism, and others. There is a need to enact laws that would

ensure proper development in an atmosphere that would unleash individual initiatives."

ALGERIA

Iranian Plot To Spread 'Terror' Reported

92AF0359A Algiers EL MOUDJAHID in French
21 Jan 92 pp 1, 24

[Unattributed article: "The Mullahs' Plot; Or, the Broken Dream of a Shi'ite Empire in the Maghreb Gulf"—first paragraph is EL MOUDJAHID introduction]

[Text] A multifaceted plot against Algeria was fomented by the Iranian mullahs using a vast network of collusion and foreign agents meeting secretly in a Syrian mosque, which is a pilgrimage site for thousands of Iranians. The objective of the plot was to generate a different reaction to the return to stability in our country. One ayatollah, specially appointed by Tehran, who called "what is happening in Algeria" a "big failure," developed another destabilization plan containing seven recommendations, which were submitted to the Iranian leaders for their approval.

Based on Algeria's recent decision with regard to Iran, Algerian, Maghreb, and, in general, Arab public opinion might be tempted to see only a display of irritation in the face of a campaign by the theocratic junta in Tehran.

In fact, matters are much more serious, and we are dealing with a genuine plot, one planned down to the last detail and containing highly organized networks in the Near and Middle East whose goal is first the destabilization, then the seizure of power in our country, then the extension of this power to the other countries of the Maghreb.

The fact is that in recent months Algeria has become a strategic goal in an overall plan aimed at extending Shi'ite influence in the Maghreb and throughout the entire Arab and Muslim world. EL MOUDJAHID has been able to obtain very serious information in several Maghreb capitals, and in particular in Damascus, which leave no doubt as to Iran's designs with regard to Algeria.

Let the reader judge for himself.

"Seida Zineb" is a mosque located less than 20 km from Damascus. It is considered one of the holy places of Shi'ite Islam, and tens of thousands of Iranians go there each year on pilgrimage.

A Big Failure

Several days ago this mosque was the venue of a secret meeting that had nothing religious about it even if it was chaired by a Shi'ite dignitary who had come from Tehran especially for the event.

As it turns out, this is an ayatollah of Iraqi nationality who answers to the name of Mohamed Taki Mondarrassi

and who is in the service of the Iranian state. Among the participants at this curious meeting, we can cite the names of the following individuals: Moussa Al Hadi, Hassan Al Saffar, Ahmed Seyef Mustapha, all three Saudi Arabians; Mohamed Alaoui from Bahrein; Moudjahid Alnour, Sudan; and El Hadi Moussa, Iraq, and a brother of the ayatollah who came from Tehran. Several Lebanese citizens known for their connections with Iran and several Syrian or foreign Shi'ite activists resident in Syria also attended the meeting.

The subject of the meeting: the future of the movement in the Arab world in the wake of the "events in Algeria."

The ayatollah from Tehran opened the discussion by making the following statement:

"The Islamist movement in Algeria is strongly influenced by Wahabism but we are not out of the picture and it is in large part thanks to the assistance and the advice that we have brought the movement that it has made such extraordinary progress.

"We recognize that we have put very great hopes in the creation of an Islamic republic in Algeria. First because Algeria is at the heart of the Maghreb and because Morocco, Tunisia, and Mauritania, as well as other Muslim sub-Saharan countries such as Niger, Mali, and even Senegal would have quickly followed the Algerian example.

"Furthermore Algeria has considerable material means and could have contributed substantially to the support of Islamist movements both in the Muslim world, in Europe, and elsewhere.

"What is occurring in Algeria is thus a big failure for us. It will affect the morale of our militants everywhere in the world and particularly in the Arab countries.

"This is not the time or place to discuss what needs to be done to try and reestablish the situation in Algeria or even, at the very least, to limit the damage there. People other than ourselves are taking care of that. I have been charged with convening this meeting to discuss with you those measures which need to be taken to protect our organization, our interests, and our actions in the other Arab countries. We could, if need be, bring up the question of finding out whether, based in other Arab countries, we could help the movement in Algeria?"

This was the message from Tehran conveyed by Ayatollah Mondarrassi.

The Empire of Terror

At the conclusion of the discussions, the following recommendations were made, which the ayatollah was charged with conveying to the Iranian leaders:

1. Under the guise of protesting the illegal measures taken by the Algerian authorities against the Islamic fundamentalists, increase the number of statements in Arab countries emphasizing that only the Islamic plan

can solve society's problems in the Arab world, and call for the unity of the Islamic world.

2. Convene meetings in mosques and collect money saying that our Algerian brothers have asked us to come to their aid.

3. Never mention the Islamic Republic of Iran outside of closed door meetings, but try to set up visits to Tehran for the most interesting individuals.

4. Be aware of the negative attitude on the part of certain Sunni activists towards the Shi'ite sect and work unceasingly for the fall of barriers.

5. Use this opportunity on behalf of our Algerian brothers to criticize the leadership of the Palestine Liberation Organization. Use this opportunity to call for a strengthening of the movement opposed to the Middle East peace conference launched in Tehran.

6. Using businessmen from [Persian] Gulf countries, try to set up businesses in Morocco and Tunisia to help finance the Islamist movement in the countries of the Maghreb and elsewhere in Africa.

7. Strengthen our networks in Europe so as to receive, if need be, Maghreb militants who might flee their countries.

From now on, no one can say they didn't know. Our country truly is the object of a plot on the part of those who have enslaved the Iranian people for more than 13 years and cherish the ambition of extending their empire of terror to the Maghreb.

All of this speaks to us and provides food for thought. A question ought to be asked of Syria's leaders: "Seida Zineb" is a holy place of the Shi'ite sect in the Machrek. Are you aware that pilgrims go there not just to pray?

FLN Bureau Examines Proposal Backing Boudiaf

LD2301094192 Algiers Radio Algiers Network in Arabic 0800 GMT 23 Jan 92

[Text] AL-SHA'B [newspaper of National Liberation Front, FLN] wrote in this morning's issue that the FLN Political Bureau has examined several proposals to put before the extraordinary session of the Central Committee on Saturday [25 January]. One of these proposals is that the FLN support the militant Boudiaf ["militant" applies to all those who were or are FLN members] and call for supporting him as a candidate for the post of president of the Republic.

FLN's Yahyawi: 'No Talk of FLN-FIS Alliance'

PM2301121492 London AL-SHARQ AL-AWSAT in Arabic 20 Jan 92 p 4

[Report: "Mohamed Saleh Yahyawi Tells AL-SHARQ AL-AWSAT: 'Bendjedid's Resignation Pushed Us Into Battle Unprepared'"]

[Excerpts] Algiers, AL-SHARQ AL-AWSAT—Mohamed Saleh Yahyawi, member of the National Liberation Front's [FLN] Political Bureau and one of its most prominent figures, has criticized President Bendjedid. In an exclusive interview with AL-SHARQ AL-AWSAT, he said that it [Bendjedid's resignation] was "improper, took place at the wrong time, and cannot be considered loyal to the nation." He added: "Bendjedid pushed us into a battle unprepared, and he fled at the time of distress, though it was a situation in which he could—and indeed should—have displayed his adherence to the values, principles, and constitution that he emphasized a week before his resignation."

Yahyawi, who rarely speaks to the press, said that "Boudiaf can provide a solution to the crisis. But in my view, this solution must lie within the framework of the constitution. We said that it was possible to maintain the democratic course and to proceed to the second round of the elections." He added: "Mohamed Boudiaf—who stood apart for so long from the swamp, the alliances, the hostilities, and the sensitive situations experienced by the regime, the FLN, and the other political forces—could become a new positive element in political life, because he is not entering it through sensitive situations. I personally see no objection to—and indeed I recommend—Mohamed Boudiaf's being the national tendency's presidential candidate. [passage omitted]

On his opinion of the army's position toward last week's events, Yahyawi, who is considered to be the FLN politician closest to the military establishment, said: "I welcomed the Defense Ministry's statement after the president's resignation. The statement pledged to respect and defend the constitution. But after the cancellation of the elections and the way in which the State Council was created, I was struck by the excesses which took place with regard to the constitution. I explained this in the Political Bureau's letter to the FLN, which was also sent to the Constitutional Council. Despite this, I must say that the search for a historic figure such as Boudiaf was a positive action that also reveals that the army did not seek to assume power directly. [passage omitted]

On the present uproar within the FLN about its alliance with the [Islamic] Salvation Front [FIS], Political Bureau member Yahyawi said: "There has been absolutely no talk about an alliance between the FLN and the FIS. Such an alliance cannot be decided on by the Political Bureau. That is the Central Committee's job. Besides, alliances need foundations and a logic. Alliance must have a program and a minimum of common ground—which does not exist. There is a difference between a meeting and an alliance. Meetings are necessary between rivals and even between enemies. I personally reject the idea of enmity between Algerians. Meetings, in themselves, are a responsible, civilized phenomenon, because they aim to spare the country violent confrontations. They are a civilized phenomenon because they show that conflict and rivalry must not lead to estrangement. This is because there is no need for extremism or further extremism and estrangement. If we do not use words in

our dialogue, we will use other things—and we reject this because it does not serve national interests or democratic life. In politics, there are no permanent enmities or permanent friendships; there are shared interests.” [passage omitted]

He added: “This headlong rush must be stopped, and the realities of the crisis must be examined in order to find real solutions to it, or at least to take the right road to that end.”

Yahyaw went on to say: “My presence in the Political Bureau and my solidarity with it today do not mean that I agreed with the policies of some of its members when they were in power—and everyone knows that.”

He also said: “At the FLN Extraordinary Conference, I voiced reservations about the chaotic pluralism—because what occurred was chaotic pluralism. I personally preferred a gradual transfer to full pluralism, so that it would not lead to violent shocks, which is what happened.

“What happened happened, and the FLN defined its stance in favor of pluralism and the honest practice of pluralism. We of the FLN committed ourselves to defending it. One of the FLN’s pledges was to comply with the results produced by that pluralism, because they represent the people’s will. Thus, we were in line with that pledge when we called for the completion of the electoral process and the safeguarding of the democratic course.

“One of the FLN’s slogans is to build a state based on law and the institutions. This is why, when we talk about the constitution and insist on the need to respect it, we are in line with the FLN’s fixed line.

“If some voices are now criticizing the FLN leadership for meeting with leaders of the FIS and the Socialist Forces Front, then it must be admitted that there is real concern about this among the FLN grassroots. This is because the FLN grassroots suffered real pressures and excesses from all the political tendencies, especially the FIS.

Mehdi Abbes Allalou Discusses Political Situation
PM2801150192 London AL-HAYAH in Arabic
25 Jan 92 p 5

[Interview with Mehdi Abbes Allalou, leader of the Algerian Popular Association for Unity and Action, by ‘Abdallah al-Hajj in Jiddah; date not given]

[Excerpts] [Al-Hajj] What is your opinion of what is happening on the political scene?

[Allalou] The Algerian Popular Association for Unity and Action was the first political party to hold a news conference immediately after the elections. It announced that they had been rigged and that the [Islamic Salvation] Front [FIS] had exploited the municipal councils that it controlled. It pointed out that 900,000 voting

cards did not reach their designated owners. It also pointed to speeches delivered at FIS-controlled mosques, in which people were told that whoever votes for a party other than the FIS is an infidel and will go to hell. As is known, the overwhelming majority of the Algerian people—that is, nearly 99.99 percent—are conservative Muslims. So there were weak people who believed these allegations and followed the FIS. Furthermore, it was discovered that there were voting cards that differed in color from the official ones prepared by the administration. This is why we accused that administration of weak control and the FIS of forgery. We also accused the National Liberation Front [FLN] of using illegitimate means in an attempt to win the elections. Our party announced that the elections were false, futile, null and void, and did not represent the present reality in Algeria. We submitted an official and open protest, inasmuch as the outcome of the elections did not reflect Algeria’s true position. It reminds us of the Algerian position during the Gulf war, which also did not reflect Algeria’s true position. The FIS has only 200,000 votes, but the other votes are stolen. [passage omitted]

[Al-Hajj] Will the new collective administration under Boudiaf be able to coexist with the difficult Algerian conditions?

[Allalou] I believe it will, and all I hope is for it to end the economic problems in Algeria, which have caused citizens to lose their hope for any leadership or authority. This means that the new administration has come at the right time. But we wish it had come earlier, especially during the Gulf crisis, because we believe that it is useful for people to speak the truth in time. We noted that, the moment it assumed power, the new administration pledged that it would follow the path of right, whether in the political, economic, or religious spheres, or in its relations with the fraternal Arab and Islamic peoples.

We have great confidence that the new team will soon be able to realize security and peace, stabilize conditions, and achieve peace of mind for the Algerian people.

We believe that the presence of a patriotic, historical figure like Boudiaf provides many of the elements of success for that administration. [passage omitted]

[Al-Hajj] Do you believe that the bomb which Cheik Abdelkader Hachani said he was carrying will explode after his arrest?

[Allalou] No bomb will explode. I say and promise that there is no bomb. We know that the Tehran-Paris axis aims to hit the Algerian regime so as to achieve an aim known to everyone. Paris wants to take revenge on the Algerian revolution. This is why its media tend to pour oil on the flames and foment sedition. In fact, recent statements by French officials have caused us to believe that they are still in Algeria.

Possible FIS-FLN-FFS Alliance Discussed

92AF0320B Rabat L'OPINION in French 18 Jan 92
pp 1, 3

[Text] (MAP)—It was not so long ago that Algeria's three main political forces—the Islamic Salvation Front (FIS), the National Liberation Front (FLN), and the Socialist Forces Front (FFS)—were competing with each other in a fierce rivalry that sometimes bordered on intolerance. But now they seem to be moving toward an "objective alliance" dictated by the new political situation created by the resignation of President Chadli Bendjedid.

That "strategic" rapprochement began after the electoral process was suspended by the High Security Council immediately following President Chadli Bendjedid's resignation.

In its first phase, that rapprochement took the form of convergent statements by the three parties concerning their respective stands on the cancellation of the second round of the legislative elections and the setting up of the High State Committee, which has filled the "institutional vacuum" caused by the president's departure.

Those converging viewpoints were soon followed by contacts and consultations among the three parties, the purpose unquestionably being to put together a common front whose outlines are growing increasingly clear. The three political groups are convinced that no unilateral move by one of them could stand up to the new government.

Although the FIS, the FFS, and the FLN each received a different score in the first round of the legislative elections, they all demanded a continuation of the electoral process and challenged the constitutionality of the High State Committee.

The first contacts took place between FLN and FIS officials, and those were followed the next day by a meeting between the leaders of the FFS and the FLN. The most improbable and least expected rapprochement, but one that was in the air, was the meeting on Thursday—it lasted over two hours—between the acting leader of the FIS, Abdelkader Hashani, and the secretary general of the FFS, Hocine Ait Ahmed, who has constantly proclaimed his opposition to a "fundamentalist state." It is recalled that on the day following the first round of the legislative elections, the FFS organized an impressive march in Algiers to "block fundamentalism and save the republic and democracy." What is more, the FFS militants who were shouting "down with fundamentalism" came close to clashing with members of the FIS in Martyr Square and would have done so if that violent reaction had not been contained by intervention on the part of a few adult members of the FIS who, along with groups of young FIS supporters, had spontaneously organized a counterdemonstration.

While Abdelkader Hashani has gone so far as to propose the establishment of a parliamentary assembly with the 231 deputies elected in the first round of voting—and in

which his party would occupy 188 seats—Hocine Ait Ahmed, who is apparently challenging the FIS score by invoking the appeals not yet decided by the Advisory Council, prefers to talk about "objective convergence."

For its part, the FLN—which for a long time regarded itself as a party unlike others—seems to be accepting its move into the opposition, considering that it has surrendered to the alliance game that it has always rejected and has publicly opposed the new authorities by challenging the latter's legitimacy.

While that alliance, or at least that rapprochement, among parties whose programs and ideologies are visibly different is a response to their concern over common objectives, the fact remains that it is based on the individual concerns of each of them. It supposedly enables the FIS to place its action within a more legal framework by joining with the other political forces. The alliance supposedly would therefore prevent—or at least make more difficult—the party's possible dissolution, such a dissolution being foreseeable on the strength of "calculations" crediting the idea of a "rearrangement of the political landscape" in the country. It was anticipated that such a rearrangement would probably not be limited solely to the parties whose existence rests on a religious base. From the standpoint of the FFS, the alliance must be viewed as a necessary evil. On that subject, Hocine Ait Ahmed said during a recent press conference that an FIS majority in Parliament was far preferable to "a coup d'etat."

It is expected that in any case, a common front consisting of the three parties that have emerged on the Algerian political chessboard will probably induce the new government to come to terms. It might give them a share in its activity through an (as yet unestablished) constitutional body that would assist the High State Committee in its mission.

After all, is it not true that in his first televised speech to the nation, Mohamed Boudiaf, chairman of the High State Committee, stressed his "determination to work together with all the children of this people to lead Algeria safely into port"? He said: "To all without exception, I extend my hand with confidence and hope and renew my oath on behalf of reconciliation, mutual aid, and cooperation for the building of Algeria."

HCE Plan To Revive Economy Discussed

92AF0359B Algiers EL MOUDJAHID in French
20 Jan 92 p 3

[Unattributed article: "Reviving the National Economy: An Emergency Plan"]

[Text] The decision by the High Committee of State [HCE] only a few days after it was created to charge the government with "developing with as little delay as possible specific proposals aimed at quickly reviving the national economy" underlines both the urgency and the extent of the tasks that await the executive to revive an

economy, which is almost on its knees and thus reestablish confidence and social stability.

The "new initiative," which should be known in the days to come, means, regardless of its form, that the government will take charge of an economic situation of extreme seriousness, in which every indicator is in the red according to the latest official figures.

From settling foreign debt, where nothing has been accomplished, to a genuine revival of investment and employment, the government must create a whole range of activities, activities that will be all the more daring since they will be undertaken in the context of a deep crisis as shown by an unprecedented shortage of resources.

Whereas exchange reserves are close to zero, oil prices plunging, and the 15 or so credit agreements signed in 1991 are behind schedule in being completely implemented, alleviating the weight of foreign debt, service on which accounts for more than 70 percent of export revenue, is tied to getting the \$1.6 billion credit agreed upon with eight international banks and aimed precisely at refinancing this debt.

The domestic economic picture, which reflects these foreign imbalances, has demonstrated a general recessionary trend. In the first nine months of 1991, inflation grew by more than 22 percent, the creation of new jobs dropped less than 33.18 percent, and economic activity in general showed a drop to -0.5 percent for industrial production and -5.2 percent for manufacturing industries, according to the National Statistics Bureau.

Other sectors (BTP [Building and Public Works], agriculture, business) have experienced the combined effects of a drop in industrial production and an increase in costs and production prices, whereas the ranks of the unemployed—officially there were more than 1 million of them at the beginning of 1991—grow each day.

At the same time the financial revival plan is marking time due to a lack of economic revival and thus of sufficient financial resources to recapitalize businesses and banks, which is the step necessary for any revival effort.

It was in order to break this "vicious circle" that the Ghazali government submitted its key program for direct investment by foreign companies in oil wells already in production. In the short term, the project, adopted last November, is supposed to produce major sums of new money (\$4 to 6 billion) in entry rights and anticipated sales of certain quantities of oil.

Most of this money, if obtained through negotiations under way with foreign oil companies, should be allocated to reconstitute exchange reserves, which is an indispensable step in liberalizing foreign commerce and thus for entrepreneurs the opportunity to import the raw materials and equipment, which are indispensable for the revival of production and employment.

An extraordinary situation calls for extraordinary measures, and it is hoped that the new law on hydrocarbons will be one of the main support efforts of the current government, which has been called upon to issue a real emergency plan to save the Algerian economy.

High Committee of State Members Profiled

92AF0338A Paris *LIBERATION* in French
19 Jan 92 p 16

[First three profiles include information from AFP; profile of Mohamed Boudiaf by Bouziane Daoudi; profile of Tedjini Haddam incomplete]

[Text] The five members of the High Committee of State, which was formed on Tuesday, are to govern the country until the end of the term President Chadli Bendjedid would have served had he not resigned, [remainder of sentence missing].

Ali Kafi, General Secretary of War Veterans Association

One of the five members of the new High Committee of State is Ali Kafi, the 72-year-old general secretary of the National Organization of Veterans (who fought in the war of independence). He became a member of the central committee of the National Liberation Front (FLN) in January 1979, but his relations with the party have been strained since the recent legislative elections. He was born in El-Harrouch, in eastern Algeria, to a family of small farmers. At the age of 16, he joined the nationalist Movement for the Triumph of Democratic Liberties (MTLD), which was led by Messali Hadj, and entered the resistance in 1955 in the region of Skikda.

In 1959, Ali Kafi left Algeria to become secretary to the National Council of the Algerian Revolution (CNRA), a kind of parliament in exile. In 1961, he began his diplomatic career as the ambassador in Cairo for the Provisional Government of the Algerian Republic (GPRA). He became Algeria's ambassador to Syria in 1962, followed by Lebanon in 1965, Libya in 1967, and Tunisia in 1975.

Khaled Nezzar, Minister of Defense

On 25 July 1990 when Khaled Nezzar was named defense minister by then-president Chadli Bendjedid, it was the first time since the overthrow of Ben Bella that an Algerian president had entrusted defense matters to someone other than himself. But the tables have since turned: There is no doubt that Major General Nezzar was among those who hastened Chadli Bendjedid's removal.

In the aftermath of the surprise putsch, which was apparently engineered from start to finish by the military, Khaled Nezzar is undeniably the strong man in Algeria's new governing body, the High Committee of State, although not its official leader. A former second lieutenant in the French Army (which he deserted in

1958), Khaled Nezzar is considered a "father" of the modernization of the People's National Army, and in less than two years, he has managed to impose himself as one of the central figures in Algerian politics. Valued for his "moral rigor," he was twice given the task of administering a state of emergency, first in 1988 after riots broke out, and again in June following Islamist demonstrations.

Representative of the new generation of officers to emerge in independent Algeria, he has long defended his "technical approach" to his work, and in March 1989 he was one of the architects of the effort to undo the ties between the Army and the FLN [National Liberation Front] after Algeria adopted its first pluralistic Constitution. He has also maintained that the military should be kept out of political disputes. After being named defense minister, however, he urged that the "extremist attitudes" of the FIS [Islamic Salvation Front] should be countered. Moreover, in an interview with the official news service APS [ALGERIAN PRESS SERVICE] six weeks after taking on the defense portfolio, he warned "with complete equanimity" that "the Army—faithful to its duties—would not hesitate to intervene to restore order and unity, and uphold the law."

Khaled Nezzar has kept his word, and that has earned him no fewer than three positions: member of the High Committee of State, defense minister, and member of the High Committee of National Security.

Mohamed Ali Haroun, Minister of Human Rights

In an interview with the daily newspaper EL PAIS in July 1990, Mohamed Ali Haroun was asked whether there was "any risk that Algeria would become an Islamic republic." He responded cautiously: "I am not a fortune teller. We shall see what the future has in store for us." Since then, he has clearly taken steps to secure the future. Born in Birmandreis, near Algiers, 64 years ago, Mohamed Ali Haroun, a Supreme Court lawyer with a doctorate in law, was one of the founders of the FLN's federation of France at the start of the war for independence (1954-1962). He is the author of a book about the FLN's activities in France during the war, "Septieme Willaya" [Seventh Wilayah], which was banned in Algeria.

Before becoming active in the struggle for independence, he was a member of the "lawyers' collective," which the FLN relied upon to defend Algerian nationalists. The lawyers Jacques Verges and Pierre Popie were also among its members. After independence, he ran into difficulties with the Algerian authorities over his stands in favor of human rights.

On 18 June, after the bloody riots, which left 55 dead according to the official count, Mohamed Haroun was named minister delegate for human rights. He was given the full authority of a minister in the reshuffling of the cabinet on 16 October.

Mohamed Boudiaf, Chairman of the High Committee of State

Mohamed Boudiaf, a historic figure from the war to liberate Algeria, is unknown to three-fourths of Algerians (the younger generation). Who is he—they must ask their parents—that austere, balding man with sunken cheeks, the chairman of the newly formed High Committee of State? For the past 30 years, Boudiaf, now 72 years old, has lived in exile in Morocco where he ran a small company that specialized in building materials, near Rabat.

Of the nine historic leaders of the insurrection launched by the FLN in 1954, Mohamed Boudiaf is one of the few still alive today, along with Ahmed Ben Bella, Hocine Ait-Ahmed, and Rabah Bitat. After the war, he became vice president of the Provisional Government of the Algerian Revolution [as published] (GPRA). Very early on, he became an activist in nationalist organizations such as the PPA (Algerian People's Party), the MTLD (Movement for the Triumph of Democratic Liberties), and the CRUA (Revolutionary Committee for Unity and Action)—its armed wing, in particular, the OS (Secret Organization), from which the FLN's founders emerged. The official texts of contemporary Algerian history say no more than that about the man who was once a low-ranking civil servant and a French Army warrant officer, born in 1919 to a humble family in M'Sila, in the Constantine region.

When Algeria gained independence, a bitter power struggle broke out inside the FLN. Mohamed Boudiaf (along with the Kabyle native Krim Belkacem) joined the "Tizi-Ouzou group" in opposing President Ahmed Ben Bella, with whom Boudiaf had been arrested by the French Army in October 1956 aboard the plane that was flying them from Rabat to Tunis with three other nationalist leaders, Ait-Ahmed, Rabah Bitat, and the intellectual Mustapha Lacheraf.

In his final political incarnation, Mohamed Boudiaf was not so much the actual leader as the "patriarch" of the Party of the Socialist Revolution (PRS), one of the few underground opposition parties to spring up shortly after independence. Long a Trotskyist party, the PRS never managed to extend its reach beyond eastern Algeria where most of its founders came from. It had to contend with the tight political control exerted by Houari Boumediene's government as well as with competition from the Stalinists of the Socialist Vanguard Party (PAGS).

Mohamed Boudiaf is known as more pragmatic than the party he founded in 1962. In 1979, not long after Boumediene's death, he left the PRS. "The essential problem (in Algeria) is the enormous cultural vacuum that exists," he says in an interview published today by LE QUOTIDIEN D'ALGERIE.

Aside from that, Mohamed Boudiaf's appointment to head the collegial body that has temporarily replaced the Algerian presidency indicates that the links to the leaders of the Algerian Army—most of whom come from eastern

Algeria as he does—have remained intact. It is possible that the attention of the Algerian public will focus on just that.

Tedjini Haddam, Rector of the Paris Mosque and Surgeon

After the first round of voting in the Algerian elections, thousands of Muslims converged on the Le Bourget Exhibition Park for the annual meeting of the Union of Islamic Organizations in France at which the news of the Islamists' victory was warmly received. Tedjini Haddam, the rector of the Paris Mosque, graced the festivities with his discreet presence. When an Algerian journalist questioned him about the Islamist tide, Tedjini Haddam ironically declined to comment: "Forgive me, but I do not engage in politics...."

Beneath Tedjini Haddam's silence since the first round in Algeria's legislative elections there is a watchful man. The son of a jurist and the father of six children, Tedjini Haddam is a highly skilled surgeon, the "best in Algeria" according to his patients in the cardiovascular and thoracic surgery unit he continues to direct at the Mustapha Hospital in Algiers. But his is also a nationalist activist of long standing and a shrewd FLN diplomat—everything but a clumsy politician.

When he succeeded Cheikh Abbas at the head of the mosque [text missing].

Concern Over Deteriorating Oil Prices Discussed

92AF0320A Algiers EL MOUDJAHID in French
26 Dec 91 p 1

[Text] (APS)—Algeria "is worried about OPEC's passivity in response to the rapid deterioration of the petroleum market" and the corresponding drop in prices, which fell by \$5 per barrel in one month, according to a source at the Ministry of Energy last Monday.

We recall that during OPEC's meetings last September and November, Algeria warned against "the exaggerated optimism" of certain member countries with respect to developments in the market. The same source says that OPEC has "continued to produce at full speed under pressure from its most influential members." The supporters of a production policy were expecting sustained economic recovery in the consuming countries, a delayed resumption of exports by Iraq and Kuwait, and a deterioration in the USSR's production capacity. Those forecasts are now turning out to be overly optimistic, it is noted.

At the Ministry of Energy, it is also "regretted" that the principle, agreed on in common, of calling an emergency meeting of the Board of Governors if required by circumstances is now being stymied by "shilly-shallying on the part of the most influential members in the organization." Those hesitations about holding such a meeting "threaten to be costly," according to the same source,

which adds that the majority of the member states are in favor of holding a special session.

The question is asked: "Must we wait until prices drop below \$10 a barrel, as happened in 1986 and 1988, before OPEC finally reacts and protects the interests of its members?"

It is pointed out that the price of Brent-quality petroleum from the North Sea fell from \$22.80 per barrel in early November to \$17.30 last Monday, thus lowering OPEC's reference basket from \$20.80 to \$16.

It is noted that the price deterioration is even more "dramatic" in the case of heavy crudes (Saudi and Venezuelan crudes, for example), the price of which is reportedly already down to \$12 per barrel, while light crudes such as Algeria's Saharan blend are managing to stay above \$18.

EGYPT

Labor Organ Reports Views on FIS Victory

'Lesson in Democracy'

92AF0263A Cairo AL-SHA'B in Arabic 31 Dec 91 p 5

[Editorial by Mustafa Mashhur: "Free Elections and the Islamic Movement"]

[Text] The political situation on the Islamic scene requires an inquisitive stance and a hopeful look. The ruling authoritative regimes are putting an end to freedoms and carrying out plans of attack that will result in damaging the Islamic community [ummah], forcing it down to a sinking level of weakness and decay. In comparison, the Islamic movement rejects that and strives for reform, honor, and strength. It believes that obligation to Islamic teachings and rule by God's law is the true and only way to comprehensive reform.

Therefore, we believe that there is a conflict between the governing regimes and the developing Islamic movement. Since the ruling regimes hold power and resources in their hands, they are using it to distort the image of this movement and constrain it, or rather, to strike at it through arrests, torture, and killing. There are reports and incidents that confirm our statement.

When the winds of change blew through Russia and the East European countries, we were hopeful that ruling regimes in our countries would take heed and also create change by recognized legal means—by conducting free and honest elections in order to oust the peoples' representatives in legislative assemblies and stabilize conditions on strong, popular foundations. We advised the rulers in our countries not to resort to the "Ceausescu" method. We demanded that the rulers give up leadership of the ruling parties, so that they would be leaders of all the people, as Algerian President Chedli Bendjedid has done. Bendjedid chose the multi-party road and insisted on having free elections. We demanded that countries

that do not have legislative assemblies create such assemblies by free and honest elections. We said that it was unreasonable that subjugated peoples should discover that other people are attaining their freedom while they remain under the cloak of the tyrant and oppressor.

However, it is very unfortunate that our advice did not find receptive ears or alert minds. The events and changes continue.

Algeria remains, despite the collision between the ruling regime and the Islamists. However, the government there held honest elections. We saw the ballot boxes made out of glass, so that all could see. That was one of the honest guarantees to which the government was committed. Consequently, the results of those elections confirm the victory of the Islamic Salvation Front [FIS] by an overwhelming majority.

This confirms our expectation concerning all of our Islamic people, who are seeing Islam as the solution for all the problems from which we suffer. We need to rid ourselves of negative factors, and put behind us the earthly principles imported from East or West. They have brought us nothing but destruction and ruin. Instead, we find here respect for spurious, overt intervention of security forces, fixing of ballot boxes, and ousting of representatives. Furthermore, they have begun attempts to falsify returns of union elections. The occurrence and discovery of this in the Merchants' Union, resulting in the cancellation of those elections, is our proof of that.

How many false rumors and fears have we heard about the victory of the Islamists in the Algerian elections? Its results would have an effect on the rest of the Arab countries in general, and the Maghreb in particular, especially Tunisia, where the Islamic movement is subjected to tyranny, torture, and death. All of us know that Europe, and especially France, is very wary of this Islamic awakening in Algeria. The countries of Europe have aided Algeria financially, in order to avert the economic crisis and to help support the Algerian Government against the Islamic movement.

Hint of Army Intervention

Now, after the results of the first stage of the Algerian elections have become clear, with the FIS' dazzling success, rumors are circulating regarding the possibility of army intervention to prevent the establishment of an Islamic government. We would like to say that we don't think the Algerian Army will do that, because it does not want to oppose the will of the people. This conduct would only result in creating a state of instability and dangerous consequences, from which only our enemies would benefit and which would only make the Algerian people cling even tighter to their beliefs and be determined to pursue them.

Let us learn the enemies' plans. They are leading our countries into a state of weakness, stagnation, and subservience to them. This is a method of incapacitating any

ruling regime that wants reform and tries to progress out of this deteriorating condition.

But we say: The people who select a government to represent them must stand with it and bear hardships with it, in order to get rid of the condition of despicable servitude to the enemies. They must cooperate with the government to achieve self-sufficiency, especially in food, because those who are not strong do not make [good] decisions. The Muslim people should be assured that if they follow the path of divine guidance and adherence to God's law, God will bless their efforts and results. "If the people of the towns had but believed and feared God, We should indeed have opened out to them blessings from heaven and earth." [Koran 7:96]

We hope that the Algerian Muslim people will be an example of forbearance and steadfastness for other Islamic peoples, no matter what torment and oppression they are subjected to, and that they will not abandon this Islamic direction. Perhaps they learned a lesson after giving up a million martyrs or more in liberating their land from the French occupation, only to have [France's] client elements harvest the fruits of these efforts and rule Algeria by socialism, which proved by its failure, or its collapse, that nothing is gained by it except ruination.

We also hope that the responsible officials in the FIS—if God enables the front to gain power—become an example of a sound, comprehensive, and Islamic ruling regime that will make use of all concerned Islamic classes to study the problems and surmount the obstacles. We pray to God to grant them success so that they will be good omens for the victory of the Islamic awakening, and so that the gloaters do not have an opportunity to say that the Islamic solution has failed.

Lessons for Our Governments

We turn to the ruling regimes in our Islamic countries. We call on them to turn away from falsifying legislative and other elections. Any government established on the basis of falsification will not endure, because it does not rest on a solid base. Its continuance in a policy of oppression, repression, and falsification will not earn it stability or security, but will embroil it in crime and evil. They will be held accountable every day in this world and in the next, because all those who aid in these crimes know that they are accountable and will be held responsible before God and before the people. The rulers will be of no avail against God.

Let these rulers know that the trials and tribulations to which the Islamists are subjected at their hands, will not divert them from their course to achieve their goals. These trials will only increase their resolve and purity, strengthen their determination, and increase their victory, because it is God's way through prayer. The blood of every martyr that they kill is but fuel to increase the strength of those who work for Islam.

We shall see with our eyes and hear with our ears how the dictatorial, authoritarian regimes collapse—regimes that

are based on oppression, repression, and suppression, and that do not achieve justice, freedom, or security. Can we find attentive ears and alert minds among our Islamic people—ruler and ruled—to return to their Lord, commit themselves to Islamic teachings, and govern through His law? Then they will attain happiness, glory, justice, freedom, and sovereignty in this world; and victory, God's blessing, and escape from fire in the other world.

We ask the rulers and ruled to listen and hasten to ask forgiveness from your Lord.

Islam Termed 'Solution'

92AF0263B Cairo AL-SHA'B in Arabic 31 Dec 91 p 7

[Editorial by al-Ma'mun al-Hudaybi: "Yes, Islam Is the Solution"]

[Text] On the morning of the weekly Muslim holiday—last Friday, 27 December—came the glad tidings of the results of the Algerian elections, held on 26 December 1991. The news of the victory of right and defeat of the false continued until noon, when the sun of freedom shone brightly, dispersing the clouds. All the biased claims were gone and the stories of deceit and delusion ended. The news confirmed what all Muslim people must confirm, whenever they have the opportunity. It confirmed that the great Algerian people—in an unparalleled consensus, despite all allegations and threats—had spoken. The people of a million martyrs spoke decisively and issued their historic, unequivocal judgement that they stand with Islam and in Islam with all their heart and soul, with all their minds and utmost awareness. They will stave off all challenges that have opened before them with their fires of hatred and loathsome missiles, which have repeatedly tried to strip the people of their identity, steal their religion, and distort their thinking. The people have chosen the true Islam, the way of life and path to salvation and to all God's blessings on heaven and earth, including the greatest concepts of freedom, equality, security, and faith.

The blood that was wrongfully shed over the course of many years, and the innocent souls who suffered during those years to stop evil and demand their legitimate rights to freedom, was not in vain. It was a struggle to plant the tree of freedom so that it could flourish and bear fruit. How could freedom's tree flourish among the people without bloodshed, and how could it bear the fruits of struggle without martyrs?

Today, no one can any longer challenge the true identity of the Arab, Muslim Algerian people, and no one can any longer dispute their true nature. One can only recognize that the Algerian people said for themselves and on behalf of all peoples who are still helpless: "Yes, Islam is the solution!"

Thirty years of one-party rule or—in fact—of government by one autocratic individual. Thirty years of humiliation and shame. Thirty years of economic ruin

and social collapse resulting in the squandering of huge oil resources, agricultural and industrial devastation, decline of morals, and corruption of minds. Debts have been left behind of more than \$29 billion, crises have followed crises, and there has been one catastrophe after another.

How similar is this situation, and how similar the fate! For 40 years in Egypt, we have endured one-party rule and an autocratic ruler who does not bother to speak openly to the people. He does not tell the millions who watch television that he alone holds all power and authority.

We, too, are surrounded by crises, with one catastrophe following another. Our debts mount up until we cannot find a way to rid ourselves of them, unless we abandon our Islamic community [ummah] and go with our enemies, saying: "Israel and the Jews have your money. Four million in Israel have beaten 170 million here."

Algeria has changed from one-party rule, thanks to God and to its free people, and thanks to a sincere ruler who made a promise and kept his word. It took less than four years to complete the change. However, we are still searching for this promise. We don't care that our people's honor is besmirched. We say that they cannot do anything for fear that freedom will harm them but, at the same time, we claim to be the leaders of the Arab, Islamic *ummah*!

The door was opened wide for the formation of political parties in Algeria, and their number reached 58. Pens began to write here with the dollar and the ink of service to the sultan, justifying despotism out of fear of the consequences of this anarchy, which would baffle the mind.

Do Not Fear Plurality

Some 49 parties and thousands of candidates competed in the elections. They said that a catastrophe would result from the speed of changing from one situation to another. The elections were held and minds were not baffled. The matter was completed in a free, popular fashion, and the choices were narrowed down to three parties without military rules, without an emergency law, and without a law denying people or groups of people their legitimate rights.

A matter both laughable and deplorable: At about 1500 on Friday, the world's radios and news agencies reported that the Algerian minister of interior officially announced the results of the first stage of the elections, that the ruling party had suffered an overwhelming defeat, and that a run-off would be arranged among the remaining three parties.

Egypt's Media Falsifies the Facts

In its evening news, Egyptian radio and television reported extensively on other matters. When they were sure that the people had become bored with the news,

they reported that, despite the fact that one FIS leader claimed that it had won a majority of the districts, where the results were known, there was some doubt about that voiced by one National Liberation Front [FLN] leader. The FLN leader added that the elections would be re-held in most districts and that the ruling FLN would contest them all. This was dishonest and misleading information, which the official media wanted the people to hear. The media panicked and tried to hide the facts, but they could not be concealed.

Salute to Algeria

A salute from us to the great people of Algeria, who stood steadfast as heroes, suffering a million martyrs to attain their freedom, and then continued the struggle to preserve and protect that freedom.

A salute to the people of Algeria, who have affirmed their identity and true nature, and who have chosen and confirmed Islam as the solution.

A salute to the Muslim Algerian people, who will undoubtedly, with God's help, complete their work in the second round of elections, and who will reaffirm that Islam is the solution, even if the haters hate and the Western and Eastern European nations plot against them, and even if America ruffles its feathers and shows its anger. A salute to the president of Algeria, who eschewed bloodshed. A salute to a man, who for the second time, refused to have the elections falsified, and who headed them despite warnings that said the winners would not be his supporters, but would be hostile to him.

We pray to God to protect the people of Algeria in their beliefs, their Islam, and their unity. We hope that the people of Egypt will attain their freedom and strive for that with all their strength, until they achieve it and then preserve it with all their being.

Leading Figures Polled

92AF0263C Cairo AL-SHA'B in Arabic 31 Dec 91 p 1

[Report by Ahmad al-Suyufi: "Rulers Must Understand Three Lessons"]

[Text] The big victory achieved by the Islamic Salvation Front [FIS] in Algeria has had a huge impact on various parts of the world, especially in the Arab and Islamic world. Reactions have ranged between a welcome cheering, a frightened convulsion, and a rejected catastrophe.

As usual, AL-SHA'B was at the scene of the event and reported what occurred there, as well as the reactions thus far. It has also been in touch with various political circles in Algeria.

In a telephone conversation in the aftermath of that stirring victory, Abdelkader Hachani, chief of the FIS's Executive Bureau, told AL-SHA'B: "We think that army intervention in civilian affairs is unlikely because the army knows that our coming to power was the result of

vehement, popular will. The army does not want to oppose popular will. The army also knows that those who wait for disaster in this country want something to happen between it and the people. Therefore, we think army intervention is completely unlikely."

Hachani stated that: "We respect the country's constitution. Any change in the constitution will be through the people and their institutions. Algeria must cooperate with all political forces in the world. We cannot conceive of Algeria today isolated from the world."

Concerning the demand for prior presidential elections, Hachani said: "One could back away from this demand if we received promises and guarantees from the presidency that Parliament's powers will not be withdrawn and FIS deputies prevented from carrying out their election platform."

With regard to freedoms, Hachani said: "If we attain power, the issue of freedoms and their protection will head our priorities. The Algerian people must be able to choose those who represent them. The FIS has denied that it will forbid women to participate in public life. It will not form people's courts. All of this is Western propaganda, and experience will prove the reverse."

He added: "The reason for our demand for early presidential elections was our concern that the desired change not be a mere formality."

In other talks with Shaykh Mahfoud Nahnah, head of the Hamas Movement; Abdelhamid Mehri, secretary general of the ruling National Liberation Front [FLN]; and Louisa Hannoun, leader of the Trotskyite Labor Party; they all stressed that the elections were conducted in an atmosphere of calm characterized by a spirit of democracy. For the first time, the people were given an opportunity to choose their deputies in complete freedom.

Shaykh Mahfoud said: "We congratulate the Algerian people for the success of the Islamic undertaking. This shows the Algerian people's strength of character. We believe that the challenges are great. The road is a long one, requiring the efforts of all parties. Now the active role has come; we have shifted from the stage of speech-making."

Louisa Hannoun said: "The FIS deserves the success it has achieved. We want them to be concerned with the issue of freedoms, and not fall where the FLN fell."

Louisa Hannoun added: "Chedli must be removed, so that he cannot violate these gains achieved by the Algerian people by means of early presidential elections."

Abdelhamid Mehri refused to make any comments about intervention by the army or the regime in the future, as well as in the elections next January.

In another telephone conversation, Abassi Madani quoted his father, who is jailed in Blida Prison in the suburbs of Algiers, who said: "The Islamists must be

vigilant after the success they have achieved. When they are in power, they must not subject the people to any oppression. They—more than most people—were subjected to oppression, and they, more than most, know its bitterness. Consequently, they must not change from oppressed to oppressors.”

In this regard, Ali Belhadj said: “The coming challenges will be severe and many. We must not give those who lie in wait for us the opportunity to attack the *ummah*.”

Abassi quoted Shaykh Mohamed Said, one of the FIS leaders, who said: “Islamists must be tolerant; they must not hold a spirit of revenge toward their enemies. The Algerian people must not be excessive in dress, food, or in life in general, so that we may face our crises and not rely on our enemies.”

Quoting Shaykh Rabah Kebir, he said: “Islamic deputies must be responsible and must bear the beliefs that envelop them.”

In an attempt to end the FIS' sweeping progress, some previous candidates have submitted some 50 spurious challenges against the FIS candidates in 50 of the 190 districts in which the FIS won. Hachani said: “The front will enter the second stage in the contested districts, whether or not the challenges are accepted. Today, 31 December, the Constitutional Assembly will determine whether these challenges are true or not. This is the reverse of observers' expectations, who thought that the FIS would resort to escalation and confrontation.”

AL-SHA'B's correspondent in Algiers said: “The FIS's temporary leader, Abdelkader Hachani, has become wiser and has called for dialogue and gradualism in FIS relations with other domestic and foreign powers. He has expressed willingness to negotiate with the IMF and to have a dialogue with all political forces and parties, both in and outside Algeria.”

As for the Socialist Forces Front's [FFS] camp, from their leaders' statements and what their newspapers have published, expectations indicate that they are considering a national union between Arabs and Berbers, and will demand that Parliament be dissolved. If their demand meets with rejection, it is possible that they will threaten to demand separation of the two governorates of Bejara and Tizi Ouzou, which include a majority of Berbers. The FFS, which is led by Hocine Ait Ahmed, has obtained 11 seats from 12 of the first-order governorates, and 13 seats from the 16 second-order governorates. He says that the FFS receives considerable support from France which, for some time, has begun to encourage separatist leanings in Algeria. The Algerian Government's situation is still balanced, despite Prime Minister Sid Ahmed Ghazali's description of the FIS' victory as being a relapse for democracy. He has postponed consideration of the case of the killing of several policemen until after the elections, so that it doesn't disturb the serenity of the electoral process.

The media has made a connection between the Algerian election results and the general situation in the Islamic world. THE NEW YORK TIMES said that Islam in Algeria is an echo of Iran, but that it is not a repetition of what occurred there. The differences between the two experiences are important, and will play a major role in determining the course, basis, and continuation of the new Algerian government. The newspaper referred to the ties that link Algeria with the West.

In Lebanon, Hizballah radio commented that events in Algeria are further proof that the Islamic movement will sweep over the entire world. In Sudan, a government spokesman said that developments in Algeria will tend to strengthen the Islamic movement in Sudan.

Tunisian Experience Cited

92AF0263D Cairo AL-SHA'B in Arabic 31 Dec 91 p 6

[Interview with Rachid Ghannouchi, leader of the Tunisian Islamic Movement, by Ahmad Suyufi, place and date not given: “Bendjedid's Recognition of Islamists Has Not Weakened Algerian Regime;” first two paragraphs are AL-SHA'B introduction]

[Text] The Islamic Movement in Tunisia is going through severe tribulations, because tens of thousands of its adherents are being subjected to arrest, torture, and imprisonment; and their property subject to confiscation. The Tunisian regime's latest crimes are to strip young boys and girls of their clothes and cram them together in a locked room. The newest thing in this matter is that the engineers of the torture and the authors of these satanic inventions are Egyptian officers, after the satanic security agreements which were concluded recently.

After Egypt officially opened its doors to the Tunisian regime, and because of this affliction, we thought it necessary to interview the leader of the Islamic Movement, Shaykh Rachid Ghannouchi, which was done by telephone.

Relationship With Regime

[Suyufi] What is the relationship between you and the Tunisian regime? Is it in the regime's interests, or is it a truce?

[Ghannouchi] The relationship has reached an impasse. The whole country is in a state of complete, deep-rooted crisis, not just in Ennahdah's relationship with the authorities, but also in the state's relationship with the entire community.

One of the manifestations of this crisis, which has been noted by international and local organizations, is the fact that law violations and attacks against the opposition have been changed into a government policy of inhumane treatment of all citizens by the authorities. In 1991, no less than 100,000 citizens were subjected to arrest and torture, either short or long term. No less than

20,000 are cowering behind bars—in very harsh circumstances—even today. The country has been transformed into a place of horror in which no one is safe. The police have been given free rein, and the courts are jammed. Torture has become widespread, and no less than 30 citizens have been killed, aside from hundreds of injured. Voices have been muzzled through the closure of 12 newspapers, and the opposition press has vanished. Only those who ride the wave and go along with the parade are protected. Some newspaper editors languish in prison, such as Omar Sahaibou (liberal) and Hamadi Jebali (Islamist). Freedom of expression has been taken away from mosques. Scores of imams have been dismissed, who rejected the orders of Minister of Religious Affairs al-Baha'i to use the pulpits to denounce Ennahdah and to repeal its religious rulings. Moreover, scores of imams have been thrown in jail. Fortunately, some like Shaykh Mohamed Ben Ibrahim, the imam of al-Fatah Mosque and director of the Institute of Culture in Zeitouniyah University, have only been dismissed.

The citizen—even in his own organization—has been prevented from expressing his beliefs, such as lengthening his beard or women wearing veils. This has caused hundreds of female believers to be thrown out of schools and workplaces. Even on the street, the veil is being torn off by security minions and stepped on or publicly burned. Oppression has overtaken freedom of expression, even in the university, whose special nature continued—even throughout Bourguiba's regime at its harshest—to be respected and reflected in all youth movements, through posters or by holding meetings. The new regime came and banned all that. Police were stationed inside the university campus, and the student union, which attracted more than 80 percent of the students, was dissolved. Only the Communist organization was retained, on the basis of its insignificance.

Aside from that, the authorities have dominated popular organizations, such as the Labor Union, despite its valiant history. That was possible by giving free rein to the minions of oppression and transforming the ruling party into militias that work under police auspices. The power of the militias has been extended to the press, management, and economic institutions. A security agency has been established in each of them, under the title of "public relations." In short, the whole country has been turned into a repressive security agency, freed from all laws. That is a continuation of the state of decline that the country's ruling party has reached after more than one-third of a century. Political progress has been stripped of all true, competitive, multi-faceted substance, which has caused the state to lack any concept of a modern state. The country has a constitution, political parties, elections, a parliament, judiciary, press, and a cabinet, but they are merely the facade of hypocrisy. From the start of the Bourguiba regime until now, not a single person in the opposition has sat in Parliament. There is only one candidate for presidency, who always wins with that hallmark of repressive regimes—99.99 percent of the vote. The judiciary is merely a

bureau to rubber-stamp the authorities' decision. How was it possible for a people with this degree of cultural maturity to accept this backward form of government? Waves of resistance continued, and not one year was free of repression and trials of various movements, until the Islamists ascended to the stage of resistance more than 10 years ago. The tools of oppression were heaped on them. Theirs was the biggest share, but not because they were a violent movement or a conspiracy. The fact is that the same charge was directed against our predecessors in the opposition. In Tunisia, they imagine that there is a violent plot to overturn all authority. This was a serious demand for liberalism and democracy, for an end to the stage of unilateral authority and one-party rule that still continues, despite the existence of six other political parties. However, they are besieged and repressed. The authorities still insist on continuing the same program. Competition was rejected, and absolute rule was insisted upon in the political process through a legal apparatus that gives absolute power to the Ministry of Interior. Despite the fact that this policy led Bourguiba to a crisis, and that he was toppled after daily confrontations with the Islamists, it continued for eight months, during which time the Islamic alternative emerged. Then the minister of interior reversed himself, declaring his readiness to achieve the opposition's demands for democracy, justice, and the restoration of the Arab, Islamic identity. The jails were emptied of nearly 7,000 Islamic prisoners. Some parties were recognized and given radio and television licenses after having been banned, and the leader of the Islamic Movement was promised recognition.

[Suyufi] What were the concessions offered by the Islamists to the regime after the release of the detainees? What was Ben Ali's reaction to these concessions?

[Ghannouchi] The Islamists offered concessions that were considered necessary for this recognition, which put an end to the state of confrontation, and achieved national solidarity. Ben Ali thought that this policy, called "pulling the rug" would distract the people away from the Islamic Movement, and that the state would regain their respect. However, the experience in the 1989 elections clearly showed that the Party had become senile and corrupt, and that the people's break from it was a message that only rapid reform—at the least—could silence. The Islamic Movement is the most representative, popular civilian power. Ben Ali and his party should have accepted this fact. They should have taken on this competition and given it the chance to become purified and developed, as Chedli Bendjedid did in Algeria. Because of the flexibility, moderation, and defense of the democratic choice—which the Islamic Movement has displayed—and by giving the law free play in order to attract all of society's components, especially the Islamic Movement, which has knocked on the doors of law for more than 10 years, the country could have avoided all this tragedy. Ben Ali would have turned into a great leader and would have given Tunisia the important status that Algeria now has. But under the influence of his security training, and the Bourguiba and

leftist politicians surrounding him, he permitted the subversion of the election process in 1989, declaring that his party had won all seats and, thereby, putting an end to the hope that had poured forth on 7 November. He bet on security, not political, dealings with the forces of the community. Despite that, the Islamic Movement was, and still is, receptive to compromise. It does not demand power, nor to be nominated for the presidency. It has not demanded that the nature of the state be changed. It has not raised the slogan of applying Islamic law, nor establishing an Islamic state. It has not deviated in its demands for establishing general freedoms and confirming the country's Arab, Islamic identity. It does not aspire to more than what was achieved in Yemen and Jordan. Its aspirations do not reach the Algerian model. However, the Islamic Movement has been met by a determination to uproot the movement by means of a comprehensive security plan, devised by Communist, partisan, and security elements. We were able to obtain that plan, and several newspapers in and outside the country have published it, including AL-SHA'B. This plan, which is being applied, can be summarized as a complete siege of the Islamic Movement and of Arab, Islamic culture, striving to dry up its resources in the community, employing the harshest oppression whenever resistance to that siege appears. Education and intellectual agencies have been turned over to Communist elements hostile to Arab and Islamic culture. Bookstores have been searched and the importation of Islamic publications banned. The direct transmission of French television channels was permitted, and the Ministry of Culture and foreign institutions continued to encourage the production of brazen films, such as "al-Halfawin" which is filmed in a women's bath, and to defend Jews and their local and foreign media. Tunisia was banned from the Damascus film festival because of its shameful licentiousness and dubious financing.

Plan Against the Islamists

By the same token, this plan included dismissing thousands of Islamic Movement sympathizers, as well as all those who display a religious mien, from state agencies. The licenses of private institutions were taken away from every sympathizer, to say nothing of members. Hundreds of merchants and businessmen had their shops closed or confiscated, or they were imprisoned because they had given assistance, even if it was to their relatives. This, briefly, is what is happening in Tunisia, and we will testify to the truth of everything we said. This is only a small part of it. Today, the amount and type of oppression in the world of Arabism and Islam is unprecedented. Did you know this oppression reached its foulest degree of licentiousness against the honor of its victims when the clothes of scores of young girls and boys were stripped completely off, and some of them left for hours together in a locked room? God has spoken in Tunisia; there is no power and no strength save in God. That was a kind of torture that our country has not before known. We think that a Pharonic heritage has come to Tunisia within the so-called security cooperation between Egypt

and the oppressive apparatus in Tunisia. Doesn't Egypt have any other commodity to export to the Arab and Islamic world save for Camp David and the experience of repression?

Where is the Egypt that protected the Islamic world from the Crusader raids and launched the calls for renewal?

[Suyufi] What is the truth about the acts of violence with which Ennahdah has been charged? What kind of oppression would force you to enter into a comprehensive confrontation with the regime?

[Ghannouchi] Never. The Islamic Movement in Tunisia—the previous Islamic Movement, and Ennahdah today—was, and still is, a political, intellectual, democratic movement which has defended, and is still defending, on the theoretical and practical level, the democratic option, which is political multiplicity that welcomes anyone out of respect and protection for all citizens' rights. These rights include freedom of belief, expression, participation in political life, exchange of power by means of the ballot box, and the rejection of violence as a means to solve intellectual and political disputes between citizens. The truth is that the Ennahdah Movement and Tunisian society are victims of organized violence marked by democratic slogans and which enjoys a kind of international protection, benefiting from the fears of the West and its elite supporters with regard to so-called fundamentalism. As an illustration, the battle against us was on behalf of secularism, democracy, and so-called hypocrisy in urban society. There are transgressions in every battle. Whenever they get out of control they reach the attention of human rights organizations and local or international public opinion. But in this case, they were merely transgressions which should be acceptable on behalf of achieving the greater goal: eliminating fundamentalism!

So far, the outcries of local and international organizations and their protests over disasters, massacres, and the tragedy in Tunisia, have gone unnoticed. This includes the massacre at the university last May, where scores of students were felled by security's bullets inside the university while they were meeting. What increased Tunisia's tragedy was the international and Arab media blackout, and some of these organizations have been given certificates of excellence for reporting on human rights!

Despite the fact that violence breeds violence, and that is the crime of repressive police regimes, our movement has always rejected giving legitimacy to violence in order to justify it as an action or reaction in our political lives. We are aware of a plan to tempt us into violence by constant harassment and continual pressure on our youth, isolating the leadership from the youthful rank and file. This is being deflected by the movement's moderate speeches. They want to drag us to their level in their battle to thwart the modern, Islamic, intellectual platform on which Ennahdah is based. It cannot oppose it by political and intellectual means.

Despite the fact that Ben Ali's regime has had some success in distorting our image at home and abroad, and in attempting to accuse us of violence by spending huge sums of money in a contemptible campaign of buying journalists and allying itself with certain misguided elite at home, as well as with certain international and Zionist intelligence agencies and an important part of the media, it has however failed miserably to offer any evidence of Ennahdah violence, except for certain isolated incidents. One of these was the burning of one of the ruling party's headquarters and, as a result of this, a victim died. Despite the fact that a committee of senior lawyers, including Brigadier General Chekroun, confirmed in a published report that the fire and death were accidental, the authorities insisted on charging them with murder. Three young men were executed, but that was not enough. On the contrary, they charged a political adversary with an isolated incident, which eliminated his political competitiveness. As for the plots announced by the government, they were in accordance with security scenarios prepared in advance in order to incriminate and eliminate Ennahdah. No proof was offered, except for televised video tapes in which victims testified against themselves regarding the plotting and murder. They did that completely on the instructions of the authorities, in the old, despicable Stalinist way. Violence is not the movement's way, nor the consequences of violence, because it is senseless. Therefore, we have continued to be patient, persisting in communicating our principles, our missions, and our outrage to the people. Yes, the shouts of the liars and slanderers are louder than our voices, but we believe that God defends the true believers and that the slanderer has no staying power. Today he is in retreat, and his true face has begun to appear. The voices of protest are gradually rising from the elite themselves, who have been nourishing Ben Ali and have been in collusion with him. Ennahdah does not strike because it is a fundamentalist, violent movement, as is charged. On the contrary, it strikes for the same reason that the Labor union used to strike, and because of the same accusations, violence, and extremism against it, because it is the strongest link in the opposition. Blows against it guaranteed control over society. This became clear after Ennahdah was weakened by wounds. The instrument of oppression has not been stopped, and the promised liberalism and participation in power has come to naught. But the intransigence, unilateralism, and threats are growing. The elite understands that freedom is one value that is indivisible and that dictatorships in the Arab world have been supported during these long years by the opportunism of the elite. It placed its expertise at the disposal of the dictatorships, and populism was only permitted by way of gaining the upper hand.

One of the manifestations of the ignominy of the center of violence—and its offshoot—is the present government fulfilling its legacy of autocracy and squandering the values prevailing at any one stage. It was socialist

when that was a marketable commodity, and "democratic" in recent years. But it is still the same dictatorship, Westernized, corrupt, hypocritical, and at the service of class and international interests.

One of these manifestations is seen in its violence and its monopolization of power. Its battle with Ennahdah is, in fact, its battle with the people's freedom and their desire for identity and democracy. This means its refusal to recognize all parties, whether Arabism, Communism, liberalism, or nationalism. This means its seizure of the press and its dissolution of popular organizations, or its use of them for its own purposes. This means its ugly practices of all kinds of torture until death, returning accused persons to prison immediately after an innocent verdict, refusing to make statements about the six who died under torture, as well as rejecting the report of the committee of inquiry charged by the president to investigate matters of law violations. These included not respecting periods of preventive arrest, which was included in statements of the Tunisian Human Rights League, which the local press refused to publish under pressure from the government. The press also refused to publish a letter from intellectuals to the president concerning the ruling party's control over the media and its loss of all credibility. The letter was signed by 300 leading intellectuals, politicians, and union professionals, including doctors, lawyers, and university professors.

If Ennahdah is violent, as they allege, are the political parties which were forbidden recognition violent? The licensed newspapers, the organizations and the elite who raise their voices in protest over the tragedy of Tunisia, and the vision of democracy, are they all violent as well?

Tunisia's Problem

As for Ennahdah, it believes that Tunisia's problem is essentially a problem of freedom before all else. The central goal of its struggle is democracy, to guarantee that the people regain their honor, to be the guardian of their power, and for the citizen to recognize the rest of his rights that the laws of heaven and earth established. The central enemy is not any specific person, but is autocracy in all its forms and under all its names. The path is awareness, appeal, and peaceful popular pressure. What is required at this stage is to strive to form a national front to liberate Tunisia from autocracy and single-party rule. This would be a front in which Ennahdah can participate with all national forces in the struggle, in building the coalition alternative for Tunisia, and in correcting the backwardness from which many countries in Africa, Latin America, and Asia suffer. Tunisia developed earlier than they. Liberalism began in Tunisia in the beginning of the eighties, or even before that. But, Tunisia today is even losing its one, sincere media voice, whereas it used to have many, both under French colonialism and since the end of the seventies. The university, the union, and cultural and political life were subjected to minimal restrictions. We have, in fact, regressed, while the world around us goes forward—

Zambia, Zaire, Senegal, Madagascar, Yemen, Jordan, and Morocco, not to mention Algeria, the most progressive. Tunisia has lost that respect and international esteem. The sun of Algeria has shed light on what is going on there in terms of a true, democratic revolution, no matter how much the Tunisian elite boast about a creative and cultural precedence. Therefore, we see Algeria as an object of attention more pleasing than the new world order itself.

America's Request

[Suyufi] What is the truth about America's request of the Ben Ali regime to recognize Ennahdah?

[Ghannouchi] I have not heard any definite report about that, but I do not think it unlikely that the United States—or most of the Western nations—is dissatisfied with the backward nature of the ruling regime in Tunisia today, a model of the military and police regimes that prevailed in the sixties. In addition to this model being a jolt to world approval, it is certainly a jolt to the level of awareness and aspirations of the broadest popular sectors and the elite in Tunisia, who are afraid that Tunisia will be pushed into ignorance, extremism, and become a fertile climate for radicalism and excess. Therefore, I do not think that it is inconceivable that the United States or other Arab governments would have advised the ruler of Tunisia to open up to all orientations without exception, including the Islamists. The prime minister of the minority regime in Tunisia stated in a speech recently that more than one Arab state had advised them to recognize Ennahdah, but he had replied that they were not aware that it is terrorist! Furthermore, the minority regime's foreign minister conveyed an angry complaint to the effect that his regime has not yet been able to convince Westerners of Ennahdah's violence and extremism!

Dialogue With the West

In this connection, I see a need to open a dialogue between the Islamic Movement and the West. The project that carries this so-called new world order to the second world—that which is behind the Western world, including the Islamic world—is not a military, police, or formalistic democratic form of government, but should be a liberal, democratic model. The mechanisms of this model themselves are respected by its protectors, since they are guaranteed—if established without obstacles—to link the parts with the Western center and achieve its interests. The fear is the erecting of barriers, walls, and repression. Therefore, the Algerian model today, despite all its mix of unrest, enjoys more acceptance by the United States and its Western allies than the Tunisian model which, although it has achieved Western interests, is crude and subject to impetuosity, heading towards the unknown. It is certain that recognition of the Islamic [Salvation] Front in Algeria, despite statements about its harshness, has not weakened the status of the Algerian regime vis-a-vis the West. On the contrary, it has been strengthened, as proved by the huge loans that Western

banks have made to that government. Algeria has interests, relations, and mutual trade which will, to a considerable extent, continue if there is reasonableness with regard to direction, whether Algeria is ruled by the [National] Liberation Front or by the Islamic Salvation Front. The danger is arbitrary or autocratic conduct. If political Islam has become a real factor, and has balance in the development of world events, can a policy of reasonableness be created that is worthy of this name? No matter how much hatred the authors of this policy have for Islam and the legacy of resentment against its people, will they continue to be ignorant of this factor and refuse to deal with it? I don't think so. A world governed by the logic of economic interests will—either today or tomorrow—clear its path of all considerations and obstacles. Western rationality, particularly, will not continue to reject the political factor of Islam. It is the most important fact of our era after the fall of Communism. No matter how much power and influence the Zionist lobby has in attempting to smash Western logic and sacrifice its interests to the extent of trampling on Western and American national pride, the logic of national and regional interests, aside from the logic of human rights, will prevail in the end over the logic of Zionist and right-wing extremism.

Leaders Manufactured by the West

At first, there was estrangement with Communism, but then cooperation began. Zionist domination over the Western mind, interests, and national inclinations will not continue forever. It will not prevail for long against the logic of self-interest and the unity of human destiny, nor will the ideas of racism against Islam and refusal to deal with the stage of political Islam prevail. There must be cooperation with political Islam, not through leaderships that the West has fabricated in its mold, but with political Islam through true representatives of Islam. In these relations, there is not only the Crusades and colonialist wars, but also periods in which cultural and economic cooperation flourished. To some extent, history continues to govern the present and the future, particularly since the technical development imposed upon us makes us think about the fate of the world. We cannot depart from the principle of unity of human fate and an outpouring of true belief for multi-party equality and human rights—not just for one group, but for everyone. Everyone should recognize everyone else's religious, political, and economic rights. How long will our brothers from other religions continue to refuse to recognize Islam? How long will Western—including American—democracy continue to be a prisoner of Zionism, with democracy's startling disparity between democratic speeches and declarations of human rights, and its disgraceful practices of hiding behind dictators in the Islamic world and subsidizing the costs of oppressing people and suppressing their freedoms and beliefs?

I think that the time is near, if it has not already come, in which the Christian West will reconsider its relations with Islam, especially the secularist, ruling dictators,

isolated from their peoples, and dependent on their Western patrons, like a slave of evil.

Ben Ali represents an odious living example of this kind of ruler. It is clear that the general direction of development in Tunisia, despite considerable support and assistance from his patrons, is artificial and not long-term growth. Despite the fact that dictators have flourished in the Arab world longer than in any other area because of foreign support, is there any justification to continue pressure on Ceausescu, Kuanda, and their parties until they were overthrown, and on Arap Moi until he permitted multiplicity, while Ben Ali and his types in the Arab world still receive support, being content to ignore their patrons' advice concerning liberalism and human rights?

Human Rights in Tunisia

[Suyufi] Human rights in Tunisia has become an international issue. What have your efforts been to expose the government's practices? What is the story of the trial of the regime, which was held in London?

[Ghannouchi] We have noted with admiration the efforts of international organizations on behalf of human rights, as well as the greater agreement in positions of the local organization, the Tunisian Human Rights League, and some of the regional leagues. We have also noted with admiration the positions of certain Arab intellectuals and Arab human rights organizations in exile. We especially want to mention Dr. Burhan Gheloune, whose books have been confiscated in Tunisia because he has denounced the war of extermination launched by Ben Ali against Ennahdah and Tunisian liberals in general. At this point, let us not forget that we mourn because our brothers are in increasing pain. They are bleeding to death because of the indifference of a number of Islamic organizations and persons vis-a-vis the tragedy of Tunisia. We have found support and consolation from non-Islamic organizations (such as Amnesty International) as well as from many of our brothers. Some have not supported us, even by word or statement! Is Islam in Tunisia one of the limbs of the Islamic body?

We know that everyone is busy with their local work, but we calculate—without exaggeration—that the amount and kind of oppression imposed on Islam in Tunisia, especially for more than a year—is unparalleled today. May God forgive us and our brothers.

Tunisian Defense Committee

It should be possible to form a committee in every country to defend the Tunisian issue, since it is an issue of an oppressed people struggling to regain their identity and freedom. This has begun to happen in certain countries, such as Algeria, and in certain European countries. These committees engage in publicity and expose practices inimicable to every human and religious value. They may give some relief to tens of thousands of victimized families, and participate in

putting the pressure of public opinion on the hypocritical minority regime in Tunisia, tearing off the false face of the Ben Ali regime—the face of democracy and human rights, the face that Zionism fabricated for that regime. Certain Zionist human rights organizations are guiding it with medals for good behavior and human rights!

A humanitarian organization has recently been formed in Britain to look into Tunisia's tragedy. It is called the Committee to Promote Freedom and Eliminate All Forms of Torture in Tunisia. It held a session to hear public testimony, supervised by prominent members of the Conservative, Labour, and Liberal Democratic Parties who are concerned with the field of human rights.

For two days, the committee listened to a number of witnesses, either victims of torture by the minority regime in Tunisia or heads of humanitarian and political organizations, including former prime minister Mohamed Mzali; the leader of the Popular Unity Movement, former minister Ahmed Ben Saleh; and the head of the Ennahdah Movement. In addition, there were representatives of student federations, etc. The committee called for someone to represent the Tunisian Embassy in London, but it declined to respond. They examined 160 documents, including reports of many human rights organizations, including the Human Rights Subcommittee of the U.S. Senate.

After several days of study, the report of their work was presented in a press conference. It was a documented, blunt condemnation of the brutality perpetrated against the rights of the Tunisian people. Because of Britain and the Western nations' need for Tunisia's support to contain the Libyan Jamahiriyah, clear directives were issued not to publish anything to offend the Tunisian regime. The Reuters correspondent attended the conference, but she did not publish any report on it. When we talked to her, she said she had done her job and had sent a wire to her office. However, the views of the Tunisian Embassy prevailed! Some 10 prisoners in Sudan—and we are against any regime, no matter what it is, if there is evil—is a matter that merits extreme attention from the Western press, but tens of thousands or more [Tunisians] suffering the foulest kinds of brutality is a matter that disturbs no one!

If the Western press considered this as a trial of a regime hated by the West, like Mu'ammar al-Qadhafi, Saddam Husayn, 'Umar al-Bashir, or Khomeini, wouldn't a report be issued?

No doubt there is relative freedom of the press in the West, but there is also full coordination pertaining to foreign policies between the media and the foreign affairs offices. There are regimes opposed to bloodshed, that work against it by all possible means, including violent means that are not merely permissible, but rather, rise nearly to the level of duty and acts of bravery, like the regimes I mentioned that the West supported until action was permitted against them. Violence there is noble and heroic. There are friendly regimes that

permit no opposition, even if peaceful, and permit violence here even on mere suspicion, describing it as extremism, terrorism, and fanaticism, which are natural, established descriptions for political opposition. The people must bear the oppression of dictatorship and brutality, while their executioners enjoy subsidies from the West. That is the situation of Tunisia today. Because we understand this mechanism, we understand the outcries coming from the human rights organizations. This brings us to the idea of the need for the Islamic Movement to work as a front and, within the frontal option, to fight its battle under the slogans and with the goals of a humanity acceptable to the broadest segments of the elite, including the elite loyal to the West, so that we can show our people that what is possible within the balance of power today is not in our interests.

Peace Conference

[Suyufi] How do you see the negotiations going on between the Arabs and the Zionist entity?

[Ghannouchi] I don't see any future for them today or tomorrow except failure, because of the disparity in the balance of power in favor of the Zionist enemy, especially in the wake of the Gulf war, which increased Arab fragmentation and economic, technical, and military weakness, while escalating the levels of Jewish extremism and greed.

Without tireless, organized effort over the long term to change the balance of power in our favor, the Jews will not cease their aspirations, and the beginnings of peace and the liberation of Palestine will not find attentive ears.

However, as opposed to Arab weakness and collapse, Jewish arrogance in the world is rising. Everyone bows before it, including seven Arab countries whose certainty has been shaken that Zionism is a racist movement! They hesitate and resort to escapism, as does Ben Ali's regime. Nevertheless, the Zionists' racism, aggressiveness, and greed has never been so odious as today. Moreover, day after day, the clear truth is confirmed that the Islamic community [ummah] alone is awakening and growing, that it is on the threshold of a second Islamic cultural cycle, whose need is increased by the major collapses of Western culture. Communism's collapse with stunning speed confirms that there is no future for a civilization based on combatting the spiritual and the hereafter. There is no future for a civilization based on expelling religion from society or ignoring it, as is done in the capitalism of Western civilization. This has led to all the disasters experienced by the world, such as famine, racial discrimination, wars, family disintegration, loss of spiritual life, and economic crises. I am certain that, because of that, economic and ethical collapse and sexual and psychological disorders will be speeded up in Western civilization. This puts responsibility for saving mankind on the shoulders of the Islamic call and its cultural legacy, starting with the principle of

unity of purpose and human destiny; firmness of principles of freedom and human rights; and the humanitarian and ethical reorganization of the economy, society, and international relations.

IRAQ

Defense Minister Quotes Koran on Democracy

92AE0176A Baghdad AL-QADISIYAH in Arabic
21 Dec 91 p 3

[Report by Hani al-Wahib, editor in chief]

[Text] General 'Ali Hasan al-Majid, member of the Revolutionary Command Council and Minister of Defense, received Mr. Hani al-Wahib, Editor in Chief of "AL-QADISIYAH," last Thursday. He praised the role of "AL-QADISIYAH" at the political, informational, and military levels.

He indicated the distinctive role it should pursue further in the ideological structure of the armed forces, in light of the directives of Comrade Commander Saddam Husayn, and his emphasis on the importance of ideological instruction in the army.

In the interview, the minister also touched on an extremely important issue, given the utmost attention by the President, Commander Saddam Husayn, since 1976 and 1977: the question of democracy in the armed forces. The minister confirmed that "We are implementing democracy in the army, as a vital and effective part of the people. We seek the inspiration of our Arab and Islamic heritage in the era of the Islamic message, and are guided by the Koranic verse, "Consult them in affairs. Then, when thou hast taken a decision, put thy trust in God." [Koran 3:159] Our great party, the Arab Ba'th Socialist Party, has, in its democratic thinking and in the application of democracy, sought the inspiration of that verse in the principle of central democracy and in organization. Dialogue and the freedom of expression are seeking counsel, and when the proper opinion has become clear, we are responsible for making the decision and trusting in God.

The minister added that the views of the commanders, authorities, and soldiers at various levels were now being polled, in the context of military action with regard to their military competences, to reach an interplay of views from which a unified and central opinion would come, based on sound, constructive democratic interplay, to strengthen and solidify the fighting power of our heroic army, and to raise the soldiers' morale.

"Naturally, the democratic process in the armed forces must take its course in the context of military protocol and without any violation of its fundamentals and meanings.

"Through my tour through the operations sector of the First Corps, one of the field commanders made the suggestion that we make a certain organizational change

in the context of his organization. The suggestion was discussed in a democratic spirit. We asked for the views of the rest of the commanders, authorities, and soldiers. The proposal did not get majority approval, so we did not adopt it. In this way, we wish to develop the spirit of democratic discussion in military action, so that we may reach an appropriate central decision based on democratic interaction to reach the best decision."

In this context, and to strengthen the democratic process, the minister published the soldiers' complaints and views in the pages of "AL-QADISIYAH" to serve the mission of this military phase and the aspirations of our armed forces.

He directed that [we] receive the soldiers' messages directed to "AL-QADISIYAH" through the military mail, which the soldiers sent from their units. He directed that "AL-QADISIYAH" have interviews with the soldiers and authorities and print their various appropriate views, which serve the process of sound ideological and technical structure for our heroic armed forces.

Minister of Defense General 'Ali Hasan al-Majid also reaffirmed that there will be periodic announcements of demobilization of officers and ranks, one by one, in the pages of "AL-QADISIYAH," as well as announcements of the details of the coming demobilization process, and related business, with the aim of speeding up the conveying of news of demobilization to soldiers at the time it is given. This illustrates the concern of the party leadership and the revolution, led by President Commander Saddam Husayn, for the personnel of our heroic army as an active segment of our valiant people, which strengthens the course of jihad and building, to reach a rich life in the shade of the banners of honor.

The minister added, "We have begun the process of demobilizing reserve officers recruited in the 31st and 32nd round. They will be discharged on Saturday, having superbly carried out their duties, national and pan-Arab missions; having embodied the highest ideals of true citizenship and the spirit of honorable soldiering.

"During the next few weeks, demobilizing measures for the enlisted ranks will be announced continuously, according to the schedule for this purpose. Demobilization will be by birth date, after the soldiers have served their honorable turn in defending the nation, the sovereignty of Iraq, and the honor of the Arab nation.

Demobilization measures, he said, for holders of doctoral and masters degrees, were enacted after the amending of [Article] 31 of Military Service Law 65 of 1969. The amendment mandated compulsory service of four months instead of 24 months. The proposal was submitted by the Ministry of Defense to the Command, and was approved.

He mentioned that the National Council had debated, in accordance with a Ministry of Defense proposal, shortening the period of compulsory service for enlistees from

higher colleges and institutes to 18 months, instead of 24 months. The National Council gave a recommendation to amend the Military Service Law in accordance with that proposal.

The minister also addressed the news coverage of the promotion and decoration of outstanding men, and the recognition of instances of remarkable heroism in defending Iraq and safeguarding its security and independence.

He also alluded to the decorations liberally bestowed by the President Commander upon our heroic army officers and rank and file, and pointed to his interest in insuring legitimate incentives for our proud soldiers for their generous sacrifices in defending the sovereignty of Iraq and the honor of the Arab nation. It is in this context that the Commander grants moral and material distinctions to the new volunteers in the ranks, and the army's various services to strengthen the structure of the fighting and technical capabilities of our heroic army, so that the shield of Iraq and the Arab nation might endure, and so that it might stand among advanced modern armies in terms of science and technology. These depend upon alert, educated youth, capable of taking up their missions with high levels of efficiency and strength.

The Minister of Defense said that President Commander Saddam Husayn's noble act, in granting loans and land to the military in these circumstances, is a sign of his eagerness to provide suitable housing and better living conditions for the brave soldiers. The minister said that the funds have been allocated.

The minister added that the Defense Ministry had begun payments to implement the noble act of President Commander Saddam Husayn—may God keep him—i.e., "money instead of a car," for the children of martyred officers, volunteers, enlisted men, and reservists, as well as payments to implement the noble act of President Commander Saddam Husayn for those who have decorations for valor and the martyrs, "the noblest of them all," who were granted decorations in 1988, 1987, 1986 and before.

Major Muhammad al-Hayani, the Defense Minister's press secretary, also sat in on the interview.

ISRAEL

Analysis of Fatah, PLO Factionalism

92AE0194A Tel Aviv 'AL HAMISHMAR in Hebrew
17 Jan 92 p 13

[Article by Pinhas 'Inbari: "The Veterans of the Fatah Vs. 'Arafat"]

[Text] Following the bloody attacks on the settlers on the roads in the territories, the settlers are asserting what seems to be a sophisticated coordination between the

Palestinian delegation in Washington and the terrorist squads that ambush the buses at bends in the roads on the West Bank.

It is true that the Fatah organization is also the leading organization in the attacks with firearms in the territories. But an examination of the real situation in the field not only does not verify the assertion of coordination between the Palestinian delegation and those who carry out the attacks. On the contrary, they have bad relations of hostility and suspicion. Not only the refusal organizations, such as the Popular Front, with the long tradition of hostility to the Fatah, but also strong and important factions of the Fatah organization itself come out openly against the delegation. This fact engenders doubt whether the Fatah still exists at all as a vibrant, self-supporting organization or is an organization that exists only on paper. It turns out that the most severe and dangerous bitterness of Fatah activists is no longer directed against Israel, but against the chairman—the founder of the Fatah and the symbol of the unity of the PLO, Yasir 'Arafat himself.

January 1 is Fatah Day, which marks the beginning of the organization's activity—the placing of an explosive device in the installations of the National Water Carrier in the Galilee, in 1965. Usually, this day serves as a festive occasion for demonstrating unity and strength. But this year, the festiveness disappeared, and there was no sign of a demonstration of unity. If we were to judge by the manifestos that were issued in honor of the day of the organization by the various groups that operate in the territories within the framework of the Fatah, the flagship of the PLO is going to go down if the commanders do not succeed in taking control.

In light of a bunch of manifestos that reached me, and there must be more, there is more than one Fatah organization. There is the regular Fatah, there is the "Fatahawi Youth," there is "Fatah-The Military Wing," there is "Fatah The Black Panther" in various versions and more. There is almost no subject on which all of the Fatah organizations agree. There are those who support the delegation, and those who oppose it; there are those who support the Madrid Conference and the Washington talks, and those who oppose them; there are those who support the political committees, and those who oppose them; there are those who attack the heads of the delegation personally, and those who defend them. And the vehemence of the opposition and the support is so fiery that the impression is created not of several organizations with a common goal, but of enemies who are about to have a go at each other.

Liquidations for Personal Benefit

A group that has already crossed the line and initiated a war (political, for the time being) could be called "Fatah Veterans," which published a long and detailed manifesto against the chairman himself—Yasir 'Arafat. This is a painful manifesto of veterans of the struggle, whom the political process is hurting directly, and clearly at

whose expense is occurring the conversion of the PLO from a military organization into a political organization. They do not intend to go off the stage of their own free will, and they are warning 'Arafat that they will rebel against him officially if he continues to abandon them. In fact, they do not address 'Arafat as a recognized and honored leader, but in a rebellious tone that is mocking and threatening. The revolt of the Fatah veterans against 'Arafat has, in fact, already begun.

Perhaps the most serious thing is the segment that accuses 'Arafat, albeit in an indirect and cautious manner, of at least deriving benefit from the liquidations of Fatah leaders—Abu Jihad, Abu Iyad, and Abu El-Hul: "And when several members of the Fatah leadership began to discuss the internal situation, in order to begin a confrontation of the kind (of confrontation) of the comrades Abu Jihad, Abu Iyad, and Abu El-Hul, they were suddenly snatched away by the hand of fate, so that the situation would remain as it was, to the benefit of the hedonistic clique..." (that is, 'Arafat's clique). Members within the Fatah are for the first time linking the disturbing string of liquidations of the heads of the organization with the internal situation in the Fatah, while hinting that the liquidations of the famous figures continued with liquidations of cadres of low rank, who did not rate headlines in the world media.

The writers of the manifesto present themselves officially as "Those transferred to reserves and retirement—the Monitoring Committee." And the reference is not to the pension department of the Palestinian National Insurance, but to combatants, field soldiers, that Yasir 'Arafat removed from the trenches, sterilized and castrated, and then handed the positions of command over the Palestinian revolution to a clique of money-hungry and corrupt hedonists, whose virtue consists solely of their flattery of the chairman and their loyalty to him.

"The sons of Fatah remained silent for many years, licking their wounds, keeping their anger pent up within themselves, in order to protect the path of the Fatah, in a desperate attempt on their part to keep Fatah the way they knew it—the backbone of the Palestinian revolution: so that the name of the Fatah would remain as it always was—a symbol of the struggle, which the enemy fears and the friend honors." The veteran cadres speak painfully of the futile sacrifice that they made for the sake of the revolution: "We suffered dead, wounded, and prisoners, and whoever was given a long life by Allah, consumed the flower of his youth in struggle and in suffering." Their place was taken by others, but the long silence has ended: "And we warn those who are destroying the fate of the movement and its sons, and in that way the fate of the problem, and to them we say forcefully: No! No, the conspiracy will not work. And the faithful sons of the movement, and with them all the members of the Palestinian people, are standing on guard...and woe to them from the fury of the people!

"...Behold, there (quakes) Fatah, which was the crown of heroism and honor, the holy of holies of the camps of the

revolution. Whoever announces that he is a member of Fatah suffers a punishment...After brother Abu Amar ('Arafat) replaces them with his loyalists, or with wealthy persons (whom he assembled) from here and from there...so that they would take the places of the fighters of Al-'Aseyfa (the name of the military arm of the Fatah) and its officers, who are being liquidated with great fanfare and in full view."

"Sycophantic and Bungling Loyalists"

The members of "The Monitoring Committee" blame 'Arafat himself for the situation of the military cadres, because for him they are nothing but "numbers." Orders for "humiliating mass expulsions" are being issued against the military cadres. Military training courses are being closed, salaries are not being paid, and, lately, there was "a mass expulsion" to the "terrors of the Libyan desert opposite Chad," without minimal conditions for life. They serve there as mercenaries, and they are full of bitterness and frustration over having been taken away from the main battlefield. "To escape from the hard living conditions, some of our best fighters died in the shifting sands of the deserts, and others took off for Europe, because they believed that the measures of the Europeans against them would be more merciful than those of their blood relations. Unfortunately, they found themselves in detention camps, under the guard of Zionist officers. This forced a group of them to turn themselves over to 'Abbas Madani (the leader of the Islamic movement) in Algeria...and to request from him the right of political asylum in Algeria...."

"Oh, brothers! In line with this behavior, brother Abu 'Amar appointed recently military commanders (whom he found) outside of the Fatah framework. They have no history of struggle or military abilities, in addition to their bad way of life. They have no abilities, aside from personal loyalty to the chairman...."

"The PLO today is at its nadir, (the financial cutbacks) include the families of the fallen and the fighters. How were the monies of the Palestinian people wasted? The answer is: the monies were not spent other than on the basis of the personal interest of brother Abu 'Amar...."

The manifesto gives a list of 'Arafat's "bungling and sycophantic" loyalists, and asks why the institutions of Fatah are silent, especially the Executive Committee and the Central Committee. "We understand that the institutions and the frameworks have an important role—but they either should operate responsibly or get out, so as to make room for those who have the ability to do the job."

The manifesto appeals to the members of Fatah: "Oh, brothers, everything that is happening to the movement and to the PLO—the starving of the fighters and their strangulation, the closing of all the doors in their faces—is but the preparation for the liquidation of the revolution and the destruction of its national institutions, the dispersal of its offices, after we made so many sacrifices for them, in order to implement the compromise plans of liquidation (of the problem)...We warn again against the

implementation of the concessionary steps, which are a national crime...and we ask: has the PLO anything left to give up? The answer is: the leadership will continue to give up the painful struggle to realize the national goals, which the people dreamed of so much...."

"Excuse us, Mr. Chairman—your tyranny and egotism in making decisions...in the intellectual terror that you instituted, you did not allow any fighter the right to voice his opinions, neither in writing nor orally. You did not hesitate to insult them with your unrestrained tongue. ...Oh, brother Abu 'Amar, after everything that we mentioned, you must return to the straight path, and learn a lesson from the fate of the dictators before you. Do not stick your head in the sand like an ostrich; mend your ways, before the day comes when remorse will not help you any more. Recognize your error—and we will be your faithful soldiers."

"[beginning quote supplied] Here, we have let you know, and you are a witness. Eternal glory for our pure fallen, for it is a revolution until victory—The Monitoring Committee."

A Campaign of Liquidations in Lebanon

Who are these Fatah veterans? This manifesto exposes the depth of the old struggle between the two wings of the historic Fatah—the wing that was headed by Abu Jihad, and the political wing, the leadership of which was seized during the Kuwait crisis by 'Arafat's other second-in-command, Abu Iyad. The territories are only one sector in the struggle of the wings of the followers of the two dead leaders. The men of Abu Jihad are close to the radical forces in the Arab world, and they tried to turn the intifadah into the accelerator of the pan-Arab revolution, which would sweep along with it the pro-Western regimes in the Middle East. Perhaps that was the reason for the liquidation of Abu Jihad. In contrast, the followers of Abu Iyad sought to turn the intifadah into a lever for political agreements, in order to stabilize the status quo.

The process of the removal of the former followers of Abu Jihad from positions of influence began after he was liquidated—perhaps because 'Arafat suspected that they sought to join up with Abu Mussa and the other rebels who had taken up residence in Damascus in order to depose him. The burial of Abu Jihad in Damascus did not weaken 'Arafat's suspicions.

Currently, the Fatah is dismantling all of its military formations in Lebanon, as part of the agreement with Lebanon to open a Palestinian embassy in Beirut—a striking expression of the transition from military to political patterns of activity. But there is a big question mark over the fate of the fighters. An internal campaign of liquidations has begun in south Lebanon, apparently on the background of the uncertainty of the fighting cadres, who feel betrayed by 'Arafat. The East Jerusalem weekly AL-MANAR reported this week (13 January 1992) that Iran may absorb the Fatah cadres, just as the

manifesto of the Fatah veterans reported on the absorption of the cadres that had formerly stayed in Libya within the ranks of the Algerian Moslems.

In Beirut was published a communique of "Hizballah Palestine," which took responsibility for the attack on the bus near 'Eyn Siniya. Hizballah-Palestine is none other than the new name of the Islamic Jihad-Jerusalem organization, headed by Shaykh Asad Bayud Tamimi, who gained notoriety after the attack on the bus of Israeli tourists near Isma'iliya, about two years ago. The organization operated from 'Amman, but after the Kuwait war the Jordanian government began to limit its activities, and it moved its operations to Lebanon. Is this the first step in the process of the transition of the Fatah cadres to Iranian command, which was indicated by AL-MANAR?

If that is the case, due to the same reasons that brought about the violent appearance within the territories of the military wing in the Fatah, there may also be a desperate attempt to keep burning the embers of the armed struggle that is flickering out in Lebanon.

The political process has already shocked the Palestinians, and the internal struggles in the Fatah are only one sector. The deadly confrontations between Fatah and the Hamas in the territories are another, no less dangerous, sector. And until we see the fruits of the peace process, we will see dramatic developments in the Palestinian arena.

In the Soviet Union, Gorbachev himself paid the price of the change that he brought about in his country. Will 'Arafat pay a similar price for having dared to bring about changes in Fatah?

Profile of Israel Radio Arabic Programming

92P40116A

[Editorial Report] Tel Aviv BAMAHAANE in Hebrew of 8 January reports on the Voice of Israel Arabic service program "With Domestic Events" (Ma' al-Ahdath al-Ahliyah). It began broadcasting three days before the outbreak of the Gulf war, according to BAMAHAANE, as a reaction to inflammatory broadcasts by Fatah and, in one case, it conducted an interview with a Nabulus resident that Fatah said had been killed by security forces. It broadcasts daily from 1430-1530.

According to the article, at the stations's inception it was fashionable to refuse to be interviewed. The network was called an "enemy broadcast" and residents from the territories were instructed by Fatah not to listen to it. Today, even Riyad al-Maliki, spokesman for the Democratic Front for the Liberation of Palestine, has agreed to be interviewed. Rosette Hakim, the chief broadcaster, says one attraction of the program is that "we make it possible for those whom we interview to express themselves fully, without distortion, even to the point of slandering the State." She also points out that certain phrases such as "Judaea and Samaria" are not used when

dealing with Palestinian leaders. The program is easier, says BAMAHAANE, than army radio, for example, for conveying messages to the Palestinian populace and the station's relations with the Palestinian community paid off when Sari Nusaybah and Ziyad Abu-Zayyad leaked information about the establishment of political committees—"With Domestic Events" had a "scoop."

The program is devoted, almost entirely, to issues in the territories (a full hour) making it the only one of its kind, according to BAMAHAANE. Rosette Hakim is the program's editor, producer, and broadcaster. She is assisted by four correspondents including 'Attad As'ad who covers the northern part of the West Bank. He explains that when he first started, he had credibility problems, but "when I formed relations on an individual level, I broke this barrier. Today I receive feedback from residents of the territories who praise the broadcast and see in it an important source of information." One listener told Rosette that if he wants to know the true number of casualties in an incident, he listens to "With Domestic Events" and not Jordan radio.

The program works closely with the civil Administration and passes on information about curfews and new services for the populace, according to BAMAHAANE. In September, the station carried a special program, 10 hours in length, devoted to matriculation exams. On the day the results came out, 12,000 families waited anxiously to know if their children had passed. As soon as the station received the results from the Jordanians, it broadcast the names of those who had passed. Congratulations and well-wishes went out over the airwaves.

According to BAMAHAANE, this would not have been possible had the station not responded several months prior to news from Jordan radio that the matriculation exams had been cancelled. A denial of this news was immediately broadcast. An education staff officer was brought in from the Civil Administration the following morning and explained that the exams would be held as originally scheduled.

JORDAN

Government Facilitates Investment by Returnees

92AE0184A London AL-HAYAH in Arabic 11 Jan 92
p 11

[Text] Amman—Jordanian returnees from Kuwait have begun taking steps to permanently settle in Jordan after realizing that the door to work in the Gulf countries has been shut for good.

Despite the difficult economic conditions in a country where the unemployment rate is 30 percent, the returnees have turned toward investment, particularly those who have sufficient funds to start commercial enterprises or open various businesses.

These attempts have met with encouragement by the Jordanian Government, which has welcomed investments in the hope that they would contribute to reviving the economy and reactivating trade, which has been suffering from a severe slump since the Gulf crisis. This has been evident in the Jordanian newspapers and other media calling for launching an investment campaign. It has also been evident in the incentives that the government is granting and which have been announced in the official Jordanian media.

The feeling in Jordan toward the returnees has begun to change into a positive one—that of sympathy for the returning brothers who could put a new life in the stagnant economy with their money, which has begun to arrive through Jordanian banks.

An Arab Bank source said returnees' funds from Kuwait last September totaled about 100 million Jordanian dinars, adding that funds transferred in one day during the same month averaged 15 million Jordanian dinars and about \$5 million. This represents remittances received by the Arab Bank alone. Other Jordanian banks have been attracting returnees who wish to transfer their money from Kuwaiti banks to Jordanian banks by offering them incentives.

The banks are in a race to announce their readiness to collect end-of-service payments and other compensations due to the returnees, who have served the Kuwaiti Government and Kuwaiti institutions during the past 40 years.

Jordanian and Kuwaiti lawyers have also announced their readiness to undertake this transaction for a fixed fee.

The returnees have been busy preparing powers of attorney to be sent to their friends or relatives who are still in Kuwait, empowering them to collect their dues and transfer them.

The result was that the great majority of the returnees have received their money and compensations. The key word being reiterated by those returnees, regardless of the size of their wealth, is "investment." Owners of well-known stores in Kuwait, including those who trade in foodstuffs and electric and electronic equipment, who usually add a postscript to their advertisements saying "previously of Kuwait," have reopened their stores in the Jordanian capital.

These advertisements now fill the streets, especially in the western part of Amman, the more affluent part of the Jordanian capital. Another aspect of wealth invested in Jordan following the return from Kuwait is the wealth of advanced human expertise acquired during work in Kuwait with highly sophisticated equipment and dealing with the most advanced and wealthiest world countries, companies, and establishments. As expected, the Jordanian private sector benefitted most from this material and human wealth. This sector, represented by

Muhammad 'Asfur, chairman of the Federation of Jordanian Chambers of Commerce, has welcomed the investors and called for enlarging private projects and benefitting from expert returnees in the fields of tourism, consultation, management, and industry. He also called for providing the returnee investors with data about the markets, trade, and industry in Jordan. He also called for carrying out feasibility studies and providing other consultative services necessary for facilitating investments. He stressed that this wealth and expertise should remain in Jordan in order to benefit from the open Jordanian market, rather than sending them to other places.

On the official level, the Jordanian Government has made considerable amendments to the law encouraging investments. The Ministry of Industry and Commerce submitted a bill providing for exemptions and incentives to be offered to industrial and agricultural projects, animal resources projects, fish breeding and fishing; educational, information, tourist, and shipping projects; and urban and housing development.

The amended draft law includes provisions for exempting fixed assets and materials for existing and new production projects from all dues. These projects can be for raw or semi-manufactured materials, or fully manufactured units for industrial assembly projects, provided they are locally manufactured.

The amended draft also provides for setting up a Committee for Encouraging Investments, comprising representatives from the public and private sectors. The committee will endorse lists of projects that would qualify for exemptions under this law. If the ownership of an investment project to which such incentives applied is transferred to new owners, then the project will be given an extension of such incentives if the period of the previous exemption has expired.

The returnees' investments in Jordan have become conspicuous in the large number of businesses that pervade Amman's streets. This is also evident in the significant figures released by the Jordanian Industrial Development Bank and in the fact that there are 318 projects registered with the Ministry of Industry and Commerce with a capital estimated at 25.5 million dinars.

MOROCCO

Foreign Minister on Italian Talks, Mideast Peace

LD3001204792 Rabat MAP in Arabic 0905 GMT
27 Jan 92

[Excerpts] Marrakesh, 27 Jan (MAP)—Mr. Abdellatif Filali, minister of state for foreign affairs and cooperation, stressed that a new emphasis was given to the Italian-Moroccan cooperation by the recent visit of King Hassan II to Italy, and that this cooperation is founded on new bases that emphasizes quality in bilateral relations without disregarding quantity.

Mr. Filali added during a news conference that he held yesterday with Italian Foreign Minister Gianni de Michelis, in Marrakesh following the signing of the protocol of a cooperation agreement, that relations between the two countries take into account Morocco's needs and requirements for its development. [passage omitted]

In an assessment of the results of the proceedings of the fifth session of the Moroccan-Italian joint committee which was held in Morocco between 21 and 25 January, Mr. Filali stressed that they were positive and that cooperation between the two countries has made important steps characterized by the beginning of a phase of consultations that makes following up on the agreements possible.

With regard to the multilateral Middle East peace talks, Mr. Filali said Morocco participated in Madrid through the Arab Maghreb Union secretary general, and stressed that Morocco's participation in the Moscow talks through the Moroccan ambassador will have a symbolic significance. He added that it is difficult to imagine continuing the multilateral talks especially since the bilateral talks did not make any progress. He pointed out that as long as there is negligence in the implementation of Security Council resolutions, multilateral talks will face some obstacles.

Regarding the situation in Algeria, Mr. Abdellatif Filali announced that Morocco, being a neighbor of Algeria, is following with great interest all the events taking place in that country. He said Morocco cannot disregard what is going on along its borders, and indicated that this does not mean that Morocco is aiming to interfere in the internal affairs of this sisterly country. He added that even though the situation in Algeria is raising concern and questions, Morocco hopes Algeria will be able to find the best solutions for its difficulties, seeing that Algeria is considered as an important element in the region. Morocco's hope is to see this country economically and politically stable and balanced. This is all Morocco wants for Algeria and all the countries in the region.

Draft Agreement Reached With Italian Delegation

*LD3001200592 Rabat MAP in English 1224 GMT
27 Jan 92*

[Text] Marrakesh, Jan. 27 (MAP)—Morocco and Italy concluded here Saturday a draft agreement at the end of the 5th joint commission meetings held this January 21-25.

The two Mediterranean countries will, under the accord, endeavour to upgrade economic, cultural and technical cooperation in job-generating projects and maintain permanent political dialogue.

The accord, initialled by Moroccan Minister of State to Foreign Affairs and Cooperation Abdellatif Filali and Italian Foreign Minister Gianni de Michelis, provides for the twinning of the Casablanca Mohamed V and the

Leonard de Vinci airports and the finalising of the accord on international road transports.

Italy will also under the accord finance the manufacturing in Italy of four trade ships to cost about 110 million dollars. The accord also grants Morocco a 80 billion lira-donation and addresses the stay and working conditions and social security of Moroccan workers settled in Italy.

On the financial level, the accord provides for loans worth 250 billion liras for the financing of the Rabat-Larache highway, the second part of the M'Jaara dam, a gas turbine plant in Tetouan and an integrated fish-breeding farm in Larache (northern Morocco).

Thirty million liras will be devoted to partnership in joint-ventures and 60 billion liras will be used to import Italian-made equipment. (1,000 liras are a little more than 7 m dh [Moroccan dirhams].)

An accord on animal health is also to be signed shortly.

Liberation of al-Qods Said Necessary for Peace

92AF0360A Rabat L'OPINION in French 23 Jan 92 p 1

[Editorial signed Mohammed Idrissi Kaitouni: "No Peace Without the Liberation of al-Qods"]

[Text] The al-Qods Committee will meet today in Marrakech under the chairmanship of His Majesty the King to draw up a joint position on the status of the holy city in particular and the peace process in the Middle East region in general. Indeed this meeting, in connection with which Arab consultations will occur, will take place within a particular context marked by the peace talks begun in Madrid, then in Washington and which should, in theory, recommence in Moscow if the Israeli side demonstrates a genuine willingness to reach a just and lasting peace.

Unfortunately nothing indicates that Israel is prepared to engage wholeheartedly in the path towards peace. Its continuation of its policy of setting up new settlements; its expulsion of Palestinians, despite the condemnation of such measures by the UN Security Council; and its categorical refusal to withdraw from the occupied territories and recognize the inalienable rights of the Palestinian people; prove that Israel does not wish peace and wants to pursue a policy of occupation and defiance; which it has exhibited to the entire international community represented within the United Nations.

By continuing to occupy Arab and Palestinian territories, Israel violates the principles of international law and the UN charter and thumbs its nose at resolutions passed by the Security Council pertaining to a withdrawal from the occupied territories and the restoration of the rights of the Palestinian people.

Now, without withdrawing from the occupied territories in the wake of plots hatched against the Palestinian

people and acts perpetrated against Israel's Arab neighbors, there can be no durable peace, and the Middle East region will remain permanently exposed to graver dangers.

In this regard, the members of the Security Council, in particular its permanent members, the United States among them, must intervene forcefully to exert pressure on Israel and force it to subscribe sincerely to the peace process by wiping out the aftereffects of the 1967 war, by withdrawing from the territories it occupies, and by allowing the Palestinian people to govern itself by setting up its own independent state with al-Qods as its capital.

Keeping the holy city under the yoke of Israeli occupation, the various efforts undertaken to Judaize it and erase anything that speaks of its Arab Muslim character, and scoffing at the rights of its Arab populations and those of all Palestinians who are the victims of repression and exploitation, cannot favor the establishment of peace and are contrary to the values and principles to which the new international order claims to subscribe, in particular with regard to defending the rights of man, a respect for international law, and the resolutions of the United Nations.

Thus the meeting of the al-Qods Committee, given the international environment and changes that have occurred in international relations, is of great importance. Through its results it will not fail to demonstrate anew that if there is an obstacle to peace, it could only be Israel and that in any event the Arab Muslim world is determined to work ceaselessly for the liberation of al-Qods and the occupied Arab territories and for the restoration of the rights of the Palestinian people.

USFP Future Analyzed Following Leader's Death
92AF0278A London AL-SHARQ AL-AWSAT in Arabic
11 Jan 92 p 14

[Article by Talhah Jibril]

[Text] From Rabat, Talhah Jibril analyzes the effect of the absence of the politician Abderrahim Bouabid, whose career spanned the pre- and post-independence periods of Moroccan history. Jibril believes that the absence of this man will have a clear impact on the political arena in Morocco, especially on the Socialist Union of Popular Forces [USFP], of which Bouabid had been the secretary general.

With the passing of Abderrahman Bouabid, Morocco lost one of its most important modern political symbols. Bouabid's passing will doubtless have tangible repercussions on the opposition forces, as well as on his own party.

Even though Abderrahman Bouabid had remained in the ranks of the opposition since the beginning of the sixties, he had been considered one of the essential discussants of Moroccan King Hassan II, who several times described him as a "personal friend." Their relations

were always characterized by mutual respect. Therefore, when a meeting between the Moroccan king and Bouabid was announced, Moroccans knew that an important political issue was up for discussion and exchange of views.

The history of this distinguished relationship goes back to the pre-independence period, when Bouabid was fighting in the ranks of the national movement, in contact and coordination with the royal palace. In this respect, it should be mentioned that King Hassan II—who was then crown prince—persisted in bringing Bouabid into the royal palace in the trunk of his car to meet with King Mohamed V, evading the watch of the men of the French gendarmerie, something which indicates the strength of the relationship for many long years.

Because of his special relationship with the Moroccan king, Bouabid often played an effective role in bringing about internal political detente.

In this respect, it should be mentioned that the Moroccan king immediately contacted Bouabid's family as soon as the news of his death reached him, and he also sent His Highness Prince Rachid to attend the funeral services.

Bouabid, who immediately after independence was appointed as minister in charge of negotiations with France and Spain to remove the legacy of colonialism, enjoyed special feelings on the part of King Mohamed V, who used to regard his opinions highly.

During 1958, Abderrahim Bouabid had the responsibility of rebuilding the state's economic and financial structure. In May 1960, he left his ministerial post for the last time. Since then, he has not entered the government except as minister of state (deputy prime minister) for a short period of time in 1984, with the leaders of the other political parties within the framework of overseeing the elections. When Morocco began its diplomatic campaign to liberate the Western Sahara, Bouabid played a distinguished role, even though he stood with his party in the opposition ranks.

However, his defense of the Moroccan character of the Western Sahara did not keep him from going to prison in September 1984, when he opposed the holding of a referendum on the Western Sahara. On that day, Bouabid stood before the court in Rabat to say, "This will be a historical court." The court sentenced him to prison, along with two members of the political office, Mohamed Yazghi and Mohamed al-Habibi, but after a brief period of time they were freed by a royal pardon. Even while Bouabid was in prison, the Moroccan king was eager to say friendly and respectful things about him.

Despite his worsening illness in recent months, Bouabid played an influential role in establishing a new alliance between his party and the Istiqlal Party, of which Bouabid had been one of its leaders before his friends Mehdi Ben Barkah, Abdallah Ibrahim, and Mahjoub Ben Sadeq split from it to establish the National Union

of Popular Forces, which, at the beginning of the seventies, turned into the Socialist Union of Popular Forces.

Informed sources said that included in the advice left by Bouabid to his comrades before his death, was that this alliance had to be nurtured, and that they should participate in the elections in a unified position.

Many believe that the absence of Bouabid from the Moroccan scene will place a great burden on the opposition forces, and on his party at the same time.

The rules of the game of democracy that are based on opening a dialogue at the top level, and among the parties whenever the situation is critical, need a personality of the weight of Abderrahim Bouabid, who enjoyed the respect and confidence of both sides, since he was one of the few leaders of the national movement who played an effective role up to his death, after most of the figures of this movement had disappeared, either through death or through what can be called political caprice.

Thus, Bouabid was, in fact, one of the prominent personalities whom the Moroccan king continuously consulted on political issues, and whose opinions he valued, even if they were contrary to the prevailing political course.

Because of his work in the Moroccan political ranks and his familiarity with their details and sensibilities, Bouabid had an outstanding ability to bring about agreement.

With respect to the opposition, Bouabid used to distance himself from partisan quarrels, and in recent years he spoke only rarely. Thus, he came to take the role of a guide, and he left to the rest of the members of the USFP political bureau the task of day-to-day operations and political activity.

With respect to the internal affairs of the party, which contain differing political currents, Bouabid also played the role of the political authority.

Undoubtedly, his absence will lead to some changes in the party structure, and perhaps also in its political direction, since the European socialist character now predominates its political platform, with the presence of a current with nationalistic tendencies.

With respect to the party leadership and the personality that will succeed Abderrahim Bouabid in the post of secretary general, we may record some observations:

First: When Bouabid's state of health deteriorated, the USFP political bureau decided to appoint two of its members, namely Abderrahman Yousfi and Mohamed Yazghi as deputies to the secretary general. That was an indication that the post of secretary general would be confined to these two names.

Second: Abderrahman Yousfi is considered to be of the generation of the party's historical leaders, but he spent

long periods of time outside of Morocco. Thus, it can be said that his organizational connections to the party's foundations are weak compared to those of Mohamed Yazghi, who for many long years continued to run the party system and its establishments.

Third: some party sources say that Abderrahman Yousfi has said that he does not want to take the post of secretary general, and that is what caused the issue to be decided in Yazghi's favor. However, that has not been officially confirmed by the USFP leadership.

Fourth: It was noted that, only hours before his death, Abderrahim Bouabid met with Mohamed Yazghi, who came to consult with him on some party matters.

It should be mentioned that the subject of Bouabid's successor began to be frequently discussed three years ago, when the symptoms of his illness began to attack.

In those days speculation was rife that the return of Faqih Mohamed Basri, who is also one of the historical leaders of the USFP, and who lived in exile since the sixties, after he was given a death sentence that was subsequently rescinded, would perhaps solve the problem of Bouabid's successor. It seemed official contact with Faqih Basri did not progress after his return was linked to meeting some political conditions. When the return of Faqih Basri became impossible, it became clear that the idea was finished.

Ever since Abderrahim Bouabid's illness became grave and he moved to Paris for treatment, there has been speculation on the subject of who would succeed him in the party leadership. It now seems that Mohamed Yazghi enjoys better luck, even though those informed about internal party affairs indicate that Yazghi, who led a broad current within the USFP, may not have unanimous support, but unanimity is impossible in a party such as the USFP with the passing of three of its historical leaders, Mehdi Ben Barka, Omar [Benjalloun], and Abderrahim Bouabid, and the presence of Faqih Basri in exile.

Istiqlal Calls For Systematic Election Schedule

*92AF0278B London AL-HAYAH in Arabic 12 Jan 92
p 5*

[Excerpt] [passage omitted] The opposition Istiqlal Party, led by former foreign minister Mohamed Boucetta, demanded that the legislative elections be held at their scheduled time. In a statement issued by the party on the anniversary of the declaration of independence, [10 January] it was said that "1992 is a year of elections that must be held when scheduled, and they must be sound and honest, reflecting the political tendencies in the country." That is an indication of the party's position towards campaigns to postpone the legislative elections until the referendum on self-determination in the Western Sahara is held this fall. The Istiqlal Party has previously voiced its strong position on holding the elections under circumstances that would guarantee "the

neutrality of the administration, a review of election rules, and administrative reform." It was joined by the opposition Socialist Union [of Popular Forces] Party [USFP], which is now faced with an emergency following the death of its leader, Abderrahim Bouabid.

As a condition of their participation in the elections, the two parties said there must be more political openness in the country and that election laws must be amended. But the Minister of the Interior and Information Driss Basri stated before Parliament that: "The government is in the process of making laws relating to holding the elections, and Parliament is qualified to present its proposals for laws on this matter." At the same time, he affirmed that priority is now being given to the Western Sahara conflict.

Opposition Proposes Electoral Law

92AF0275C Casablanca AL-ITTIHAD AL-ISHTIRAKI
in Arabic 30 Dec 91 p 2

[Article: "Opposition Groups Propose Laws for Honest Elections"]

[Text] The three parliamentary opposition groups—the Socialist Union of Popular Forces [USFP], the Istiqlal Party, and the Organization of Popular Democratic Action [OADP]—have presented a request to the speaker of parliament asking that the session continue until parliament is able to study all proposals related to the electoral laws and decide on them.

At issue are proposals designed to provide political and legal guarantees for the integrity of elections and to render them free, honest, and credible.

These proposals, which involve recompiling election lists, regulating the election campaign, and laws to prevent electoral violations, can be summarized as follows.

Drawing Up New Election Lists

The three opposition groups have proposed compiling new election lists that measure up to the standards of honesty and accuracy and overcome all the defects and loopholes that prevail in the current lists.

The proposal is based on the idea that opposition men and women who have reached the age of 18 may request registration in one of the following electoral lists: the community at the place of their birth, the community in which they have lived for the last six months, or the community in which they have been required to pay taxes for the last three years.

The proposal involves changing the voting age to age 18 from the present 21, and to age 21 for candidacy, so that a large group of young people with vocational, social, or educational responsibilities will not be deprived of their right to practice democracy.

The opposition groups also propose that an administrative committee be formed in each community to draw up

the community's electoral lists. The committee would receive and discuss registration applications, draft temporary lists and tables of corrections, and compile the final lists.

The committee would be composed of the head of the community council or his deputy, a representative of the local authorities, and two members from the community council.

This administrative committee could decide to create one or more subcommittees to assist it in receiving and discussing registration applications.

The proposed law provides that registration applications should be presented by applicants in person, and must bear their signatures and state their family and personal names, their date and place of birth, their profession, address, and the number of their national identity card, personal identification, or civil status record book. Each application must be accompanied by two personal pictures and attached to all the information and documentation.

So that election lists will be open and publicly available, the three opposition groups propose informing the public through the media that every interested person may examine the voter list within two weeks and obtain a transcript of it copied by photograph, by hand, or by other means. Any person not registered in the voter list may, during the same period, seek to be registered by means of an oral or written application addressed to the headquarters of the administrative committee. Any registered person may, in accordance with the same conditions, request the deletion of anyone illegally registered.

A "judgment committee" would be formed to receive applications and complaints. It would include, in addition to the members of the administrative committee, two voters who can read and write well appointed by the community council.

Decisions of the judgment committee could be appealed by initiating legal appeal proceedings.

An authorized agent of the king would review voter lists sent to him and write an official report about them.

Voting cards, which would be delivered to citizens in person at the headquarters of the administrative committee, would have to contain all the following personal information: name, place of birth, address, and national identity card number; in addition to the citizen's number on the voter roll and the number of the district and polling place at which he votes. The card would contain a picture of the bearer. Unclaimed cards could be delivered to their owners at the polling place on election day. A court ruling could serve in lieu of the voter's card.

Preventing Election Violations

The three opposition groups have also proposed a law to prevent election violations. It contains several measures

to deter those who would tamper with the rolls or the campaign, falsify results, or disturb the democratic guidelines for voting.

Any person who registers himself on the voter rolls under a false name or identity; or who, in registering, conceals his lack of qualification; or who is able to register on two or more lists would be punished by one to three months' imprisonment and by fine.

This punishment would be doubled if the violation involved a public employee or official who committed the act himself or contributed with others to its commission.

This is the thrust of the proposal. It aims at closing the door to all those who would tamper with the people's will through election violations.

The law also proposes banning all advertising outside the legally defined periods for each candidate and would not allow the use of the three colors red, green, and white.

To prevent vote-buying during the election campaign, the law proposes banning any attempt to influence voting by offering gifts, monetary contributions, promises of contributions, bestowal of government or private jobs, or any gain or privilege.

The proposal also would strongly punish persons who attempt to influence a voter's vote by attack, violence, intimidation, threatened loss of job, or threatened harm to the voter's person, family, or property.

The proposed law would punish anyone who interferes in the balloting process by violence or threat at the polling place and anyone who attempts to violate the secrecy and trustworthiness of the balloting by stealing or breaking a ballot box or by scattering, spoiling, pilfering, or altering its contents.

The proposed law would punish heads or members of polling places if they attempt to impair the truth of the voting or alter its result, regardless of whether the attempt occurred at the polling place or outside, or whether it occurred during, before, or after tabulation.

Regulating the Election Campaign

Among the most important conditions for the honesty of elections and a normal voting process are various regulations for the means and methods of the election campaign. The democratic countries progressed in this regard by regulating and controlling the election campaign so as to allow all parties free and open expression of their views and programs. In this regard, the three opposition groups have made concrete proposals to make the election campaign suitable for democratic education within the community and to make it a beginning of an ongoing process of honorable competition.

The law proposes that the parliamentary election campaign should begin three weeks before election day. The

campaign for members of community committees and professional associations would begin two full weeks before the day of the election.

The proposal specifies that political parties would have the right to use Moroccan radio and television in their election campaigns. Financial credits would be made available in the budget to help cover campaign expenses. The funds would be distributed to political parties immediately after the announcement of the final results of each contest in proportion to the votes that each party obtains.

The law would allow no political party or candidate to receive material aid of any kind, directly or indirectly, from a foreign source.

Under the proposal, any public official would be prohibited from distributing the brochures, programs, or other election literature of candidates.

It thus becomes clear that the proposed laws for the coming elections seek to avoid all the blemishes and defects that accompanied previous community and parliamentary experiences, and that fostered the production of falsified and doctored [elected] bodies without any credibility or relation to the real popular will.

If the parties that are authors of the proposals have introduced the subject in parliament, it is because they want to tell the Moroccan people that they are determined to head off any conspiracy that aims to falsify the coming elections and any attempt to repeat the same scenarios that the people are tired of.

Thus, the opposition proposals are part of a comprehensive framework to correct conditions in the country. This would begin with constitutional reforms and culminate in launching an economic and social policy to alleviate the injustice that the masses experience as victims of ruling classes who benefit and are strengthened by undemocratic systems and institutions.

Breakdown of 1992 Budget by Sector

92AF0275B Casablanca AL-ITTIHAD AL-ISHTIRAKI
in Arabic 2 Jan 92 p 6

[Article: "Government's 1992 Budget 73.3 Billion Dirhams"]

[Text] Following parliamentary approval of the new finance law at the end of the recent session, it is now known that this year's budget has risen by 3.81 percent over last year's, to a total of 73.3 billion dirhams, divided as follows:

- Increase of 12.5 percent in operating budget, to 37.2 billion;
- Slight increase in equipment budget, to just under 13.5 billion;
- 8.8 percent decrease in public debt service, to only 22.4 billion.

These are some features of the new budget—which is to say, government policy—for 1992.

Naturally, the budget is not the whole of public finance. What is announced in the context of the so-called finance law is only part of the national wealth expressed in financial registers. Some things are not subject to monitoring or accounting, given the lack of financial openness in the country. The parliament has the right to discuss only a limited part of the people's finances. There are many areas and numerous institutions, about which we know nothing, that spend large sums of public funds. Perhaps the demand for constitutional changes should be primarily directed toward establishing a new system for Morocco's finances, a system that would put the people's finances at the service of the people's interests, instead of directing public funds, which are a true national resource, primarily to the benefit of the fortunate.

To what extent is the new budget able to confront the economic and social problems?

Enough was said on this subject in the context of the parliamentary discussion of the budget. The reader now has the right to learn the figures and details of the budget. That is what we present to readers in these columns.

Operating Budget Is Divided as Follows:

A. Employee expenditures increased 11.75 percent, to 25.7 billion dirhams. In this context, 12,300 new public employment positions were created, and 3,294 incidental assistants are being regularized. These jobs are distributed as follows:

- Education—8,600 jobs,
- National defense—1,350 jobs,
- National security—1,397 jobs,
- Justice—1,000 jobs,
- Health—774 jobs.

B. Equipment expenditures increased 12.5 percent, to 7.5 billion dirhams. These expenditures are divided as follows: Improving worn-out water, electricity, and transportation equipment will increase 21 percent to 880 million dirhams, and reassessment of direct public sector subsidies is up 13 percent to 1.4 billion dirhams.

C. Joint obligations (Compensation Fund, Grain and Legumes Bureau, and Retirement Fund) went up from 2.4 billion to 2.9 billion dirhams.

D. Emergency expenditures: Payment of 1 billion dirhams in compensation fund arrears, in addition to 300 million, for [a total of] 1.3 billion dirhams [in] emergency expenditures.

Investment Expenditures Are 13.5 Billion Dirhams, Divided as Follows:

A. Public works—2.8 billion dirhams

B. Finance—2.3 billion dirhams (down 9 percent; 2 billion of this is for joint obligations)

C. Agriculture—1.9 billion dirhams (up 4.1 percent)

D. Education—1.6 billion dirhams (up 20.8 percent),

E. Health 552 million dirhams (up 25 percent),

F. Interior and Information—551 million dirhams,

G. Transportation—413 million dirhams,

H. Energy—373 million dirhams,

I. Housing—283 million dirhams (up 183 percent),

J. Tourism—142 million dirhams,

K. Justice—162 million dirhams,

L. Saharan Provinces—92 million dirhams,

M. Foreign Affairs—91 million dirhams (up 50 percent),

N. Planning—90 million dirhams,

O. Youth and Sports—52 million dirhams (up 46 percent),

P. Handicrafts—38 million dirhams (up 19 percent).

Public Debt Expenditures Are 22.4 Billion Dirhams (Down 8.8 Percent), Divided as Follows:

A. Foreign debt obligations are 15.5 billion dirhams. Of this, 6.7 billion (down 26.8 percent) is for creditors, and 8.6 billion (up 1.7 percent) is for interest and commissions.

B. Foreign debt is 6.8 billion dirhams: 1.1 billion dirhams is for capital and 5.7 billion dirhams is for interest and commissions.

Revenues Are Divided as Follows:

A. Direct taxes are 15.9 billion dirhams, up 23.8 percent, divided as follows:

- Tax on corporations—following the change in the minimum tax contribution ceiling, this rose to 6.6 billion dirhams, up 21.9 percent;
- Income tax (approval of minimum tax share for professional revenues)—7.3 billion dirhams, up 18.2 percent;
- Tax on real-estate profits (approval of minimum period) at 2 percent of sales price—265 million dirhams, up 120 percent;
- Contribution imposed on professional and real-estate incomes exempt from income tax—50 million dirhams;
- Tax on returns of fixed-yield financial investments—540 million dirhams;
- Customs duties—14.5 billion dirhams, up 24.3 percent, divided as follows: importation, 6.439 billion dirhams, up 19.4 percent; tax (deduction) at the time of importation, 7.888 billion dirhams, up 29.4 percent; fees on exporting metals, 0.200 billion dirhams.

B. Indirect taxes—18.8 billion dirhams, up 15.29 percent, divided as follows:

- Registration and stamps—2.9 billion dirhams, up 19.22 percent;
- State properties—0.192 billion dirhams, down 23.9 percent;
- Monopolies—3.002 billion dirhams, up 15.64 percent. Bank of Morocco's share was 1.100 billion dirhams, up 37.5 percent; and Office Cherifien des Phosphates, memorandum [meaning unknown];

C. Transportation—0.500 billion dirhams.

D. Miscellaneous revenues—2.331 billion dirhams, up 13.1 percent, divided as follows:

- Fishing license fees from the EEC—1.137 billion dirhams;
- Revenues from financial investments—0.367 billion dirhams. [amounts as published]

E. Extraordinary revenues, loans—15.7 billion dirhams, down 28.2 percent.

F. Domestic fees on consumption—8.575 billion dirhams, up 28.9 percent, including 4 billion dirhams on oil and 3.7 billion on tobacco;

G. Value-added tax—10.2 billion dirhams (up 5.92 percent);

H. Registration—1.513 billion (up 19.3 percent);

I. Stamp—1.037 billion (up 18.9 percent);

J. Annual automobile fee—0.364 billion dirhams, up 19.7 percent.

K. Income from [privatization]—1.00 billion dirhams;

L. Income from domestic loans—0.30 billion dirhams;

M. Revenues from foreign loans—11.70 billion dirhams.

Total—73.325 billion dirhams [as published].

Supplementary Budgets

A. Radio, official press, harbors, and conservation had obligations and revenues in excess of \$1 billion, an increase of 17.86 percent.

B. Special treasury accounts totalled 12 billion dirhams, an increase of 16.1 percent.

New Provisions

A. Limiting the tax deduction for use of tourist vehicles: The part of the vehicle price over 200,000 dirhams is not deductible, and the same provision shall apply to vehicles hired from equipment rental companies.

B. Repeal of the ceiling on the minimum tax: The minimum shall equal 0.5 percent of the transaction figure, and the minimum shall remain 1,500 dirhams.

C. Rationing allocations of companies or builders of employee housing construction to 80 percent, instead of 50 percent. Home construction allocations were repealed, and loans granted to employees are 50 percent [no further explanation].

General Income Tax

Measures relating to the general income tax applicable to professions:

A. Limiting the tax deduction for passenger vehicles belonging to contractors, in the same manner as companies;

B. Standardizing penalty provisions;

C. Raising the rate applied to the remunerations paid to a contractor's temporary employees from 30 percent to 45 percent, exempt from income tax;

D. Retaining the 17-percent [rate] for educators;

E. Shortening the grace period to 31 March, instead of 30 April;

F. Creating home-building and purchase credits for the benefit of employees like those established for companies;

G. Instituting a tax minimum like that for companies—6 percent for free professions, 0.5 percent for other professions.

Real-Estate Profits Tax (Revised 1978)

A. Setting a minimum equal to 2 percent of the sale price, while awaiting the setting of the final sum to be paid;

B. Automatic payment within two months following the sale;

C. Changing the time period related to the notification of eviction;

D. Strengthening the rules related to the right of appeal.

Tax on Yield of Fixed-Return Investments

The tax shall apply to bonds, loan papers, on-demand deposits, and advance payments deposited in the current account of companies.

There is a new tax of 20 to 30 percent on those who do not declare their identity (deduction of 30 percent of tax amount) and on those who declare their identity (deduction of 20 percent on companies and for the general income tax).

Creation of Mandatory Contribution on Income Tax-Exempt Professional or Real-Estate Income

Until now, these exempt companies have been paying only 25 percent for national solidarity, unlike individuals, who are paying for 25 percent of the general income tax.

Value-Added Tax

A. [Installment] merchants whose business equals or exceeds 300 million dirhams shall be subject to this tax.

B. Free professions will be taxed at 7 percent.

C. All buildings measuring at least 240 square meters, as well as housing cooperatives, will be exempted.

D. Exception of the tourism residence fee from the value-added tax vessel;

E. Repeal of the 12 percent rate and its replacement as follows:

- Fourteen percent with the right of deduction for real estate works contractors (current rate);
- Bank, credit, and exchange operations—14 percent without the right of deduction for insurance agents and brokers;
- 19 percent for liberal professions, telephone, and telex.

Loans for Real Estate Rental: Office Leasing

A. Companies that make loans for real estate rent have benefitted from elimination of registration and stamp fees on land acquisitions earmarked for buildings for business use.

B. Contracts for rent loans, as well as their cancellation by mutual agreement, are subject only to a fixed obligation of 300 dirhams.

C. The borrower's exercise of the option to purchase the properties which are the subject of the (rental loan) shall be liable to a registration obligation proportional to the remaining value of these properties.

D. Rent loan companies may take advantage of the rapid [word illegible, possibly "utilization"] of buildings contained in the tax on companies.

Creation of Tax on Phosphate Exploitation:

Thirty-four dirhams per ton of ore.

Measures To Preserve Public Highways and Traffic Safety:

Fines for traffic law violations are to be raised.

General Observations

This budget has seen certain changes that will introduce some confusion into the still-undigested tax reform. There are some reasonable measures, such as the tax on

bank investments, but the problem of evaluations will remain unresolved. Establishing and extending a tax minimum is irrational on the basis of tax logic, but the measure is needed to fight tax evasion.

Opposition Suggests Modifications to Budget

92AF0275A Casablanca AL-ITTIHAD AL-ISHTIRAKI
in Arabic 2 Jan 92 p 6

[Article: "Changes Proposed by Nationalist Parties for Introduction Into 1992 Budget"]

[Text] The parliamentary opposition represented in three nationalist democratic parties—the Socialist Union of Popular Forces [USFP], the Istiqlal Party, and the Organization of Popular Democratic Action [OADP]—has put forward proposals for changes to the fiscal law. Ten basic points are involved: 1. Changes to encourage low-cost housing:

a. lowering the allocations of companies funding the building of low-cost housing for their workers by 75 percent, instead of 50 percent;

b. allocating 10 percent of revenues from the tax on employee salaries to finance a special fund to build low-cost housing for low-level employees;

2. Changes to reduce the tax burden on those of modest income:

a. raising the minimum [salary] exempt from general income tax to 16,000 Moroccan dirhams, instead of the present base of 12,000 dirhams;

b. lowering the rates for the first bracket as follows:

I. from 16,000 to 21,000 dirhams—12 percent instead of 14 percent;

II. from 21,000 to 30,000 dirhams—16 percent instead of 22 percent;

3. Changes to reduce the tax burden on educators:

a. exempting compensation for scientific research by higher education personnel from the general income tax;

b. exempting administrative work compensation from general income tax for educators in secondary and primary education;

4. Repealing the minimum tax introduced by the finance law for the general income tax applicable to professional businessmen, craftsmen, etc.: This is because it constitutes a retreat from the precepts of tax reform and because objective relations need to be established between the administration and those under obligation.

5. Raising the minimum [tax] to 4 percent of the selling price, instead of the government-proposed 2 percent, for the real-estate profits tax applicable to real-estate developers;

6. To encourage popular savings by middle-income groups, a rate of only 15 percent should be applied on sums deposited in accounts with bank and credit institutions for the tax on receipts from fixed-income investments.

7. In regard to the value-added tax:

a. reducing the ordinary rate from 19 percent to 17 percent in view of its very high level;

b. regarding the telephone, applying a rate of 12 percent, instead of 19 percent as in the government proposal, on telephone services for home use, as well as for businessmen to whom the flat-rate system applies, since none of these will have the right to recover the burden of the value-added tax.

8. Increasing pre-1990 retirees' compensation by 30 percent, instead of 15 percent, because they did not benefit from the reform from which post-1990 retirees benefitted and have modest incomes, and to protect their purchasing power;

9. The opposition is again working to highlight the employment problem of young college graduates and the creation of 45,000 new jobs by raising the rate of tax revenue on tax (deduction) upon importation to about 15 percent, instead of 12.5 percent.

10. Changes proposed by the opposition and accepted by the government and hence by the government-allied "majority":

a. considering the automobile leasing sector when it comes to defining a maximum ceiling for deducting the value of automobile purchases by companies and businessmen;

b. raising the point at which value-added tax is applied to installment transactions, from the government-proposed 2 million dirhams to 3 million dirhams.

Certain observations need to be made regarding the changes the "majority" is said to have proposed in committee and that the government has accepted:

- The "majority" did not explain its changes in committee.
- These changes were below the level of the criticisms that the "majority" had addressed to the government at the beginning of the committee debate.
- In point of fact, the government had prepared these changes in advance in regard to content or in regard to form.
- Thus, the government pushed its spurious political parties to propose changes whose real nature was visible—namely, that they are not up to what officials of the IMF accepted. For example, while the proposal of the administration's parties for a change in the minimum tax on companies was 0.5 percent of the amount of transactions, the IMF thinks that it should not exceed 0.4 percent.

Privatization: Evaluation of 8 Firms Planned

92AF0305C Casablanca *LE MATIN DU SAHARA* in French 5 Dec 91 p 1

[Unattributed article: "Privatization: The First 8; Consultations Initiated With 20 Assessment Offices To Evaluate the First Firms To Be Privatized"]

[Text] The privatization process has effectively begun. After publication of the legal texts, Law 38-89 and Decree 2-90-402, the structures were created and the men were designated to carry out the process.

The main force is comprised of the minister delegate to the prime minister in charge of economic affairs and privatization, Moulay Zine Zahidi.

The evaluative organization consists of seven leading figures, Mohamed Seqat, Mohamed Karim Lamrani, Driss Slaoui, Moulay Ali Kettani, Abdelmajid Benjeloun, Haj Mohamed Amhal, and Abdelhadi Tajmouati.

The transfer commission is made up of the following senior civil servants: Messrs. Belbachir, Haddaoui, Kadiri, Meziane, and Toulali.

The administrative unit created by the minister in charge consists of 15 multidisciplinary teams organized into four working groups: investigation and technical affairs; industry, agriculture, energy, and mining; the financial and service sectors; and tourism and real estate.

The First Firms

The first specific step towards implementing the privatizations were just taken. From among the 37 hotels and 75 public firms, which have been put on the list of those to be privatized, eight have just been selected as the first to be evaluated. Involved are COTEF [Textile Company of Fes], CTM-LN [Moroccan Transport Company-National Line], SODERS [Sugar By-Products Corporation], IBOVAL, CIOR, and VETNORD [expansions unknown].

This list is dominated by subsidiaries of the Office for Industrial Development [ODI], which will now report to the Ministry of Foreign Investments.

These firms all seem to be units with no problems, and this has led to their having been selected first.

Consultations on evaluating the potential of these firms have just started with approximately 20 assessment offices that have been asked to make offers.

CERED Study on Poverty, Unemployment

92AF0360B Rabat *L'OPINION* in French 23 Jan 92 pp 1, 7

[Article by Mostafa Nassiri: "Poverty and Unemployment: The Vicious Circle of Misery"]

[Text] In our first article, which presented the results of a study undertaken by the Center for Demographic Studies and Research [CERED], which is a part of the Statistics Directorate, several links were discerned between economic activity and the households' standard of living.

The conclusions, which were insufficient, given the context of the approach used by the CERED, which consisted of reusing data from the survey on household consumption and expenses, allow us to examine several aspects of poverty in relation to the economic activities of households. However the phenomenon of poverty, with its implacable reality as experienced on a daily basis by an entire stratum of the Moroccan population, deserves more in depth and exhaustive study that would make possible the implementation of solutions aimed at reducing its effect.

The CERED's technique, which consisted of looking at and comparing overall rates of unemployment among the population according to the decile of expense (10 deciles arranged according to increasing expenses) of a household casts light on the existence of a close connection between poverty and unemployment. Here is a reality which, although not having been extensively studied, would not need to be demonstrated, one would have thought.

For urban men, the unemployment rates are 20.4 percent for the poorest stratum (600 dirham spent per household per month in 1984); 19.5 percent for the second decile, 16.6 percent for the fifth decile, 12.8 percent for the eighth decile, 7.9 percent for the ninth decile, and 5.3 percent for the most well-to-do tenth decile.

In the case of women, these rates decline at the same rate inasmuch as they are 21 and 18.7 percent for the first two poverty categories and are 9.6 and 4.9 percent for the last two well-to-do categories.

Thus unemployment severely affects the poor strata of the population. The lack of refinement of the CERED's study does not permit an explanation of this phenomenon, which in relative terms has spared the middle classes, since the most needy strata, according to the CERED's finding, have had to accept any work and pay whatsoever to escape from the poverty-unemployment cycle. Such a conclusion is limited by a labor market that cannot offer opportunities to poor people not having the slightest professional qualification, most likely living on the edge of illiteracy, and living in the worst psychosocial conditions, which keep them trapped in a situation in which they look for just any job at any pay. Furthermore, this poor stratum of the population gravitates towards the informal sector, in which it finds itself limited in exercising its activities on an individual basis owing to the lack of every means and resource.

Also interesting is the relation between unemployment rates according to age group and standard of living, which was another aspect studied by the CERED.

For young men in cities between the ages of 15 and 19, the unemployment rates are as follows:

First decile (the poorest): 39 percent; second decile: 49.6 percent; third decile, 32.4 percent; fourth decile, 41.2 percent; fifth decile: 43.7 percent; sixth decile: 45 percent; seventh decile, 48.7 percent; eighth decile: 39 percent; ninth decile: 25.1 percent; and tenth decile: 24.8 percent.

For men between the ages of 20 and 24, the rates of urban unemployment are as follows:

First decile: 36 percent; third decile: 41.2 percent; fifth decile: 41.5 percent; sixth decile: 44.8 percent; seventh decile: 41.8 percent; ninth decile: 34.9 percent; and tenth decile, made up of the well to do category: 21 percent.

For men between the ages of 24 and 59, the unemployment rates (in cities) are as follows:

First decile: 12 percent; second decile: 11 percent; fourth decile: 9 percent; sixth decile: 7.7 percent; seventh decile: 6.8 percent; eighth decile: 6.6 percent; ninth decile: 3.3 percent; and tenth decile: 2.7 percent.

As can be noted in these rates, unemployment among the young (15 to 19 years old) is rampant among all social classes, even including one unemployed youth out of two in the relatively well to do categories.

The two categories of young unemployed men (15 to 19 years) in the first and the tenth deciles, however, show a different profile in terms of schooling. The lack of detailed analysis does not allow us to examine further the links between unemployment and households' standard of living for these very young men.

This observation applies to young men aged between 20 and 24, a category in which, among the most well-to-do, one unemployed male out of five is reported.

Among men between the ages of 25 and 59, who in theory are the best qualified to work, and, in the case of some, supposed to have outgrown a long period of unemployment, the unemployment rates prove the relationship between unemployment and standard of living.

If unemployment is the lot of the poor and of those who are even less so, it is likewise the "luck" of the middle classes and the bad luck of the well-to-do classes.

This certainly demonstrates its general and pernicious character.

SUDAN

Korean-Sudanese Joint Ventures Announced

92AF0363A Khartoum SUNA in English 31 Dec 91
pp 10, 11

[Article: "Sudan, Daewoo Company Agree on Joint Investment"]

[Text] Khartoum, Dec 31 (SUNA)—An agreement was reached between Sudan and the Korean Daewoo

Companies group on joint investment in Port-Sudan Spinning Factory, Al Gezira Tannery and the Friendship Palace Hotel, announced Industry Minister, the Chairman of Investment Public Corporation Dr. Taj Al-Sir Mustafa said.

Dr. Mustafa said the agreement is based on partnership system under which Daewoo group will secure the necessary fund of foreign component for the rehabilitation of these factories and raise their productivity to be directed for export.

According to the agreement, Daewoo Group will also ensure the foreign currency required for upgrading and developing the Friendship Palace Hotel, said Dr. Mustafa.

He added that the company has expressed readiness to cooperate with the Sudanese Government in many major investment fields, among them the establishment of the free zone at the Red Sea area.

It is worth noting that Daewoo companies group is investing in many fields in Sudan including tyres, manufacturing and construction and maintenance of roads.

Faith Research Center Expands Operations

Media Productions Planned

92AF0364A Khartoum SUNA in English 30 Dec 91 p 3

[Article: "International Centre for Faith Research"]

[Text] Khartoum, Dec. 30. (SUNA)—Preparations are currently underway by the Khartoum-based International unit to be in charge of carrying out the mission of the centre.

I.C.F.R. [International Unit for Faith Research] General Director Al Tighani Awad Al Seed told SUNA that the unit would produce TV and radio programmes and movie works to be focussed on deepening the roots of faith in the society.

The director explained that the centre is about to issue the Faith Research Magazine which is planned to be the voice of the Islamic world.

Investment Body Established

92AF0364B Khartoum SUNA in English 5 Jan 92 p 5

[Article: "I.C.F.R. To Establish Investment Unit"]

[Text] Khartoum, Jan. 5. (SUNA)—The International Centre for Faith Research (I.C.F.R.) has established an economic investment corporation to meet the expenses of the Centre besides an endowment council headed by Sheikh Sideeg Ahmed Abdul-Hay.

The Director General of the Centre Azhari El-Tigani told SUNA that all the revenues of the Centre will be invested

in the corporation, adding that the Sudan government has given the Centre a land plot to establish a scientific research institution.

He explained that within the coming four months the Centre's administrative headquarters will be established as well as the information of computer and documentation units.

Car Importation Policies Liberalized

92AF0370B Khartoum SUNA in English 9 Jan 92 p 9

[Article: "Karar Reviews Cars Importation Policy"]

[Text] Khartoum, Jan. 9. (SUNA)—The recently announced government policy on car importation is basically aimed at realizing equality between the resident citizens and the expatriates in the import of cars in accordance with a unified policy, said the Member of the Revolution Command Council Brig. Salah Eddin Karar.

Karar who is also Chairman of the Economic Committee noted that another purpose of the policy is to provide means of transport in a bid to keep pace with the current expansion of production. The right to import cars was confined in the past to the expatriates, diplomats and Sudanese studying abroad, Karar explained.

Reviewing the main aspects of the Economic Committee's decisions appeared in its January 6 circular.

Brig. Karar said that there are no restrictions on importation of one or two cars of any sort provided that it should be a new one or has worked for not more than two years.

He said in a press statement that the fees of importation licence were fixed depending on the situation of the engine of the car.

Customs on the imported cars will be paid in the Sudanese currency without obliging the expatriate to transfer the sum against the official exchange rate, Karar said, adding that the car ownership would be transferred at any time following its importation.

He said the exempted sum in the expatriates luggage licence was raised from 5,600 dollars to 10,000 dollars.

The validity of the decisions starts as of current January 1st.

Insurance Activities To Be Islamized

92AF0370A Khartoum SUNA in English 10 Jan 92 p 3

[Article: "Insurance Activity Islamization"]

[Text] Khartoum, Jan. 10. (SUNA)—The Director of the Public Corporation for Supervising Insurance Activities in the country, Mohamed Yousif, has said the Corporation aims at the Islamization of insurance work in the Sudan.

Yousif, speaking to SUNA, said the Corporation, whose act was recently approved by the Council of Ministers, would oblige all insurance companies in the Sudan to operate in accordance with the provisions of the Islamic Sharia, noting that a supervisory committee will be formed at every company.

He put the total number of insurance firms in the Sudan now at 19 companies.

The aim is to turn insurance work in the country from a merely commercial activity into a cooperative Islamic work, he explained.

Yousif predicted that the country would witness a boom in insurance work during the coming period in the framework of the Overall National Strategy Conference, enabling it to contribute to the national economy.

He added that his corporation plans to establish an insurance institute in the country and that it would work for the arabicisation and Islamization of policies.

Yousif, meanwhile, pointed to the agreement signed recently between the Sudan and Libya on joint cooperation in the sphere of insurance which provides for the establishment of joint insurance companies.

UNITED ARAB EMIRATES

Bank Auditing Structure Proposed for Depositors

92AE0168C *Dubayy AL-BAYAN in Arabic* 12 Dec 91
p 3

[Text] Abu Dhabi—The Emirates University presented a working paper on ways to protect depositors from banking crises at a conference on the banking sector's role in supporting the national economy, which was organized by the Abu Dhabi Chamber of Commerce and Industry and held on 7 and 8 December 1991.

The paper was presented by Dr. 'Abd-al-Khaliq al-Ansari, who started off by noting that the recent increase in financial and banking crises in the international and Arab arena has heightened depositors' anxiety and lack of confidence in financial organizations' ability to protect their rights when crises occur.

The paper poses a basic question: Who protects depositors' rights in the event of sudden banking crises, which sometimes cause some banks to declare bankruptcy?

In answering this question, Dr. al-Ansari stated that each country's banking authorities are responsible for enforcing regulations and procedures and for enacting legislation to protect depositors' rights, commercial banks experiencing financial difficulties, and the banking system as a whole. He then dealt with the types of banking crises. The first type involves periodic banking problems faced by most banks in the world, such as liquidity shortages, a high percentage of bad debt, and an increase in annual losses. These problems are solved by the banking system's supervisory and control agencies. They intervene to limit the impact of these problems on the banking market as a whole through such

measures as the central bank's assumption of the role of "last lender," or the recommendation of mergers, buy-outs, and takeovers between banks in an orderly manner to maintain depositors' confidence in the banking system as a whole and to prevent financial failures, bankruptcies, or liquidations.

Bank failures are another type of banking crisis that usually lead to bankruptcy and liquidation. According to Dr. al-Ansari, bank failures have a dangerous effect on depositors' confidence in the banking system and on all financial organizations operating in the banking system. Depositors have waited for years in vain for banking legislation that protects their rights through special agencies or organizations. A case in point is Bank of Credit and Commerce International [BCCI]. Of the more than 60 countries in which there are BCCI deposit holders, only eight have laws or funds that protect the rights of savers and insure their deposits.

The second part of the study deals with the most important deposit insurance laws in effect internationally and sheds light on the experiences of Arab and other countries in the protection of depositors by financial organizations, especially commercial banks. The researcher surveyed the literature to become familiar with the most important regulations. He found that, despite the development of international banking systems in Europe, Japan, America, and the other advanced industrialized countries, only about 30 countries—which include no Arab countries—have developed and implemented a deposit insurance system.

These systems grant compensation ranging from \$660,000 under the Italian system, to \$330,000 under the Columbian system. Some countries apply a voluntary or optional deposit insurance system. Some cover savings in all foreign and domestic currencies, others cover only deposits in domestic currency, and still others cover deposits in domestic currency and dollars.

In the third part of the paper, Dr. al-Ansari reviewed the main problems and banking crises witnessed by Arab countries over the past decade. He recommended that the Arab countries and their supervisory agencies create a deposit insurance system based on other countries' experience.

He noted that several Arab banking crises have been contained and resolved, while others are still adversely affecting depositors and will continue to do so for a number of years.

He then discussed specific experiences in several Arab countries. He mentioned the [Islamic] investment companies' affair in Egypt, from which many depositors have suffered; the appearance of the Petra Bank in fiscal year 1989; and the Central Bank of Jordan's liquidation of the Syrian-Jordanian Bank in 1991.

In Lebanon, the Lebanese war of 1975-1990 clearly affected the banking system's performance. Among the well-known crises in Lebanon is that of al-Mashriq Bank. In Kuwait, there was the al-Manakh market crisis. In the

United Arab Emirates, the central bank intervened in 1985 to resolve several banking crises through mergers. In Tunisia, the crisis of the International Federation of Banks was recently resolved. In addition to the previously mentioned cases, many Arab banks abroad have gone under. In the fourth part of the paper, Dr. Ansari reviewed a proposed model for a deposit insurance system. This model is designed to serve as a guideline for governments in establishing a deposit insurance systems based on the individual circumstances of each country's banking system and the directives of its government and central bank.

He proposed three alternatives for creating a fund to insure bank deposits. The first entails creating an independent organization to supervise the fund, which is to be subordinate to the government and independent, but under the supervision, of the central bank. Participation in this insurance system would be compulsory for all organizations and banks entitled to receive deposits. The second alternative would be the same as the first, except that it would be compulsory for national banks and optional for foreign banks.

The third alternative consists of one system that would be under the government's supervision, another system that would be managed by the private sector, and a special deposit insurance fund. Under this alternative, financial organizations in the private sector, particularly insurance companies, would be given an opportunity to develop a system to compete with the government's system. Banks would be required to insure their deposits with one of the systems, and the central bank would have control over both systems. Each state should adopt the system that is compatible with its economic circumstances and the size of its financial system.

Dr. al-Ansari proposed that the board of directors of the fund, whether subordinate to the state or to the private sector, include the governor of the central bank, the director of the currency control administration, a finance ministry official, and other leaders in the financial system. He recommended that the system be permitted to insure the deposits of all organizations entitled to accept deposits, such as commercial banks, savings organizations, and investment companies. This would ensure equal protection of the funds of persons holding deposits with these competing organizations.

Regarding the fund's proposed organizational structure, Dr. al-Ansari stated that it is difficult to establish a financial framework for the organizational structure, but he suggested that the fund include divisions to:

- monitor, supervise, and rigorously examine banks participating in the system in a way that avoids redundancy with other control systems, especially the central bank;
- engage in activities to cover the rights of depositors in failing banks undergoing liquidation and to prevent liquidations from damaging the banking system;
- invest the fund's deposits in low-risk investments;
- form the reserves needed to cover depositors' losses;

- study and analyze the conditions of banks experiencing difficulties;
- diagnose problems of troubled banks and recommend solutions that preclude liquidation or bankruptcy, such as a merger or takeover;
- lend to banks experiencing a liquidity problem to protect them from insolvency and financial failure;
- provide periodic guidance to senior administrations of banks and organizations participating in the system to prevent banking violations, especially in cases of lending;
- protect depositors' rights;
- and publish information regularly on the deposit insurance system and on the financial position of each bank participating in it, so that depositors are not surprised by the failure of any bank.

In the fifth and final part of the paper, the researcher stated that protecting depositors from possible banking crises also requires numerous reforms, especially in the area of adequacy of capital reserves. The researcher believes that the time has come for Arab central banks to devote sufficient attention to capital adequacy requirements. This will cut losses and facilitate management of risks to which commercial banks are exposed, thus reducing risks to depositors and guaranteeing their deposits. In this regard, he attaches importance to the criteria established by the Basle Committee on Capital Adequacy.

Regarding regulations pertaining to the granting of credit, he recommended the following: Central banks in Arab countries should re-examine traditional methods for controlling credit and introduce new criteria. In particular, they need a criterion that distinguishes between the quality of each bank's loan portfolio, and a criterion that establishes each bank's credit ceiling, taking into account its system for insuring depositors against a poorly performing loan portfolio. Finally, mergers, especially between small banking units, should be encouraged.

Dr. al-Ansari concluded by stressing the importance of organizing a seminar on deposit insurance under the auspices of the Federation of Arab Banks, to which Arab banking experts would be invited.

Bankers Ask Penalty for Debt Nonpayment

92AE0168B Dubayy AL-BAYAN in Arabic 14 Dec 91
p 3

[Text] Abu Dhabi—A seminar on the banking sector organized by the Abu Dhabi Chamber of Commerce discussed a banking study prepared by the Abu Dhabi Commercial Bank on problems facing banks operating in the state due to ambiguous laws and special procedures. The study highlights the following:

- The need to form a court comprising specialized judges with experience in banking cases to expedite the settlement of banking cases.
- The importance of strict enforcement of court decisions by restricting the funds of judgment debtors to

- what they and their families need, so that the balance of these funds can be used to pay the judgment debt.
- A call for the Justice Ministry to set a uniform, universally-applicable interest calculation method.

The study states that the banking sector is the backbone and lifeline of advanced societies. Pertinent official agencies must, therefore, provide the banking sector with the necessary protection to help it continue to promote society and keep pace with advancement and growth.

The study treats several obstacles faced by this vital sector in its attempt to recover its funds through legal means. The study first discusses the setting aside of a judgment by default. The study states that Article 33 of the Civil Courts Procedures Law of 1970 stipulates that, in the event that the court is convinced of the grounds for a move for judgment, it may order the setting aside of that judgment [upon the judgment debtor's objection to the judgment] after the judgment debtor pays the judgment debt to the court treasury or fulfills any other condition deemed appropriate by the court. However, this article, in the opinion of the Abu Dhabi Commercial Bank, gives the court permissive authority. In other words, the court may or may not exercise its authority to impose conditions on the setting aside of a judgment. In general, an objection [to a judgment in absentia] is accepted without any conditions whose fulfillment would establish the objector's earnestness. Therefore, the bank deems it fit to amend this article so that it becomes a deterrent for defendants who refrain from attending the trial, are judged to be at fault in absentia, and, taking advantage of the said article, object to the judgment against them when it is implemented. An amendment of the article in question would keep cases of this sort from being retried and kept open as a result of the defendant's use of customary methods to delay a judgment on a claim against him.

Precautionary Measure

The study states that Article 73 and Article 74 of the Civil Courts Procedures Law stipulate that the plaintiff has the right to move that the court take a precautionary measure against the defendant as the court deems necessary to protect the plaintiff's rights as stated in the two articles. However, Article 77 of the same law allows the court to summon the defendant to respond to the precautionary motion, and the court usually does so. This divests the motion of its benefit, because the court does not protect the plaintiff against the defendant's disposal of his assets during the period allotted to the defendant for responding to the motion.

Appeal

The study states that Article 3, Ordinance 7 of the Civil Courts Procedures Law stipulates that the suspension of the execution [of a judgment], which is begun before an appeal is lodged against the judgment, shall be solely by order of the court that issued the judgment or the court of appeal. The previous practice in effect was that a ruling from the court of appeal was needed to suspend the execution of a judgment, in which case the court of appeal stipulated, as a condition of the suspension, the provision of a security in the amount

of the judgment. However, this article was cancelled pursuant to Article 6 of Law No. 1 of 1989. It thus fell to the court that issued the judgment to suspend its execution. However, the security stipulated by this court made it disadvantageous to appeal the execution of judgments.

According to the study, all judgment debtors now resort to the court of appeal immediately upon the issuance of any judgment against them, for which they pay a fee of 50 dirhams to register the appeal. The judgment creditor is thus unable to execute the judgment, and the appeal remains pending for a year or more. This procedure damages judgment creditors and provides an opportunity for judgment debtors to either dispose of their assets or flee, if they are foreigners.

Banking Interest

An important point treated in the study concerns the issuance of judgments that do not stipulate interest. Article 61 of the Civil Courts Procedure Law stipulates that "the court may determine interest on a judgment debt under the provisions of this law, and it may order the calculation of interest as of the date on which payment is due or any subsequent date until or before the date of repayment. The court may also calculate interest on all or part of the expenses arising from a claim." Inasmuch as the court may or may not stipulate interest under this article, many judgments are issued which do not stipulate future interest. Banks are thus compelled to submit claims for interest to the court of appeal. This entails effort and expense, increases the load on the courts, and delays the banks' obtainment of their rights.

Accounting Experts

Another important point raised by the study is the referral of cases to accounting experts. The study states that the court of merits may appoint an accountant to investigate claims. The court has done so whenever it has desired, and it has had cause to do so. However, this practice has resulted in delays while the accounting expert prepares his report. Moreover, the damage incurred by banks because of such delays has not been taken into account. Therefore, the Justice Ministry should intervene to establish restrictions to which the parties to a claim and the court-appointed accountant must adhere. Such restrictions will prevent cases from being held up for years pending action by a court-appointed accountant. They will also eliminate objections and procrastination stemming from the accountant's activity and will expedite the adjudication of cases. Banks operate under state supervision, and their accounts are audited by licensed auditors. Their records are thus truthful and accurate and should be admissible [which would obviate the need for a court-appointed accountant to conduct an audit].

The Court's Authorities To Execute a Judgment

The study states that, despite the gravity of the authorities granted to a court to execute a judgment (especially the authorities granted in Article 113(b), which stipulates that the court may order that a judgment debt be paid in

installments determined by the court), a judgment creditor is not entitled to object to the court's decisions on the execution of a judgment. At present, courts executing a judgment accept the payment of sums judged in favor of banks in installments that are not at all proportionate to the total judgment debt, despite the ability of the judgment debtor to pay. It is legally not permitted to appeal or object to decisions regarding the execution of a judgment before the court of appeal, because decisions of a court executing a judgment are not classified under either of the two cases stipulated by Article 107 of Law No. 1 of 1989 (i.e., any decision emanating from a precautionary measure or a complaint against such a decision, and any decision issued by a court of first instance that is likely to impede progress in a claim.)

The study concludes that banks are exposed to losses when interest is calculated through the courts. In other words, banks pay depositors their original deposits and compound interest, whereas they are forced by the courts to accept [repayment of] the original [loan] sum and simple interest, regardless of the time factor. The reason is that the courts, after a claim has been current for years, conclude that the bank deserves interest that does not exceed the debt principal. The debtor, on the other hand, obtains, uses, and profits from the bank's funds. Thus, under the law, the bank must ultimately be the loser.

Airline President Signs Loan for Airbus Purchase

92AE0164B *Al-Shariqah AL-KHALIJ in Arabic*
16 Dec 91 p 8

[Text] Dubayy—Emirates Airlines, the international airline of the United Arab Emirates, yesterday signed an agreement through which it will obtain a loan of \$53.8 million from the British Bank of the Middle East to finance a deal to buy its most modern airplanes, the Airbus A310-300.

The agreement was signed in Dubayy by Shaykh Ahmad bin-Sa'id Al Maktum, president of Emirates Airlines, and David [Hoyles], executive president of the British Bank of the Middle East. The signing was also attended by Morris Flanagan, an appointed member of the board of directors of Emirates Airlines, and 'Abdallah al-Jalil Yusuf, executive vice president of the British Bank of the Middle East.

The new airplanes are slated to be delivered in January 1992, and when they are delivered, there will be seven Airbuses in Emirates Airlines. Emirates Airlines also has orders out for six more Airbuses.

Shaykh Ahmad said: "The purchase of these airplanes represents another prominent milestone in the expansion that the airline is witnessing." For his part, David [Hoyles] said, "We are happy to finance the purchase of this airplane, and I am certain that it will be another step of the increasing and successful growth of Emirates Airlines."

Director Signs Agreement for 36 Rolls-Royce Engines

92AE0164A *Dubayy AL-BAYAN in Arabic* 20 Dec 91
p 1,21

[Text] On the directive of His Highness Shaykh Maktum bin-Rashid Al Maktum, vice president, prime minister, and ruler of Dubayy; and on the order of the defense minister, His Highness Shaykh Muhammad bin-Rashid Al Maktum; Shaykh Ahmad bin-Sa'id Al Maktum, the head of the department of civil aviation in Dubayy and president of Emirates Airlines, yesterday signed a memorandum of understanding to buy 36 Rolls-Royce engines valued at \$500 million (1.8 billion Emirian dirhams) to power a group of Boeing airplanes for which the airline had contracted with the American manufacturer the day before yesterday.

The signing ceremony was attended by [Morris Flanagan], general director of Emirates Corporation; deputy general director Sultan bin-Dhiyab Saqr, and Muhammad al-Khaja, commercial director of the company. Signing the agreement for Rolls-Royce was Tony Robinson, sales director at the company's headquarters in Britain.

Shaykh Ahmad bin-Sa'id Al Maktum states that the Rolls-Royce engines were selected on the basis of recommendations by a group of technicians in the Emirates Corporation after an in-depth, two-year study of the bids tendered by the three principal international manufacturers of jet engines.

He added that price was one of the reasons for the preferred choice, in addition to conditions of service after sale, the engine's suitability to operating conditions for the airline and the region, and the engine's strength.

He said that two kinds of engines had been chosen to power the Boeing 777 A and B airplanes, namely the RB211.TRENT 870, and the RB211.TRENT 880.

A Rolls-Royce representative expressed his pleasure that Emirates Airlines had selected his company's engines to run its airplanes, explaining that, following this deal, the airline had become Rolls-Royce's most important customer in the Middle East. He pointed out that the conclusion of this deal was an important step in advancing the company's operations in the Middle East.

The director general of the Emirates Corporation said that the choice of this type of engine makes the airline one of the first international airlines to use this model, which will help Emirates Airlines achieve its commitment to always stay in the forefront. He added that the decision to buy this model was difficult because the engines available in the market were of equal quality.

It should be mentioned that tests on these engines began four years ago. The length of the fan is 110 inches, and the power of its thrust upon takeoff is 7,700 rotls [3,775.4 kg] for the 870 model, and 84,400 rotls [38,993 kg] for the 880 model.

It should be mentioned that the cost of the engine deal comes under the total costs of Boeing deal, which reaches \$1 billion.

IRAN

Mumps Outbreak Reported in Kuchesfahan

92WE0243X Tehran ABRAR in Persian 25 Dec 91 p 9

[Boldface words as published]

[Text] With the arrival of the cold season, the contagious viral disease of mumps has spread in Kuchesfahan, a suburb of Rasht.

An educational official of Kuchesfahan said in this regard: In a classroom with 60 students, all students who had not previously contracted this disease have contracted mumps.

He attributed the spread of this disease, which appears in children, to the lack of a mumps vaccine.

A physician in Kuchesfahan said: The vaccine for this disease is easily found in the private practices in Tehran at high prices and is 80 percent effective. But, unfortunately, it is not available in Gilan.

He added: For this reason, students who have been afflicted must rest at home for 10 days away from school.

He said: This disease has dangerous side effects, including sterility in boys.

This physician added: In addition to mumps, high rates of a variety of skin disorders have also been observed on visits to some of the schools.

He added: In regards to treatment and preventing the spread of this disease, steps have been taken by the health officials of the province.

It is said that the shortage of fuel and the cold weather contribute to mumps appearing in children.

Increase in Aleppo Boil Occurrences Reported

92WE0243Y Tehran ABRAR in Persian 26 Dec 91 p 5

[Boldface words as published]

[Text] In Iran, on the average in 1369 [21 March 1990-20 March 1991], 33 out of every 100,000 persons suffered from the Aleppo boil. This figure compared to 1368 [21 March 1989-20 March 1990], which was 28 people [per 100,000], marks a tangible increase.

In 1367 [21 March 1988-20 March 1989], according to the statistics of the center for contagious disease control of the Ministry of Health, 35 out of every 100,000 people, and in 1366 [21 March 1987-20 March 1988], 42 persons out of every 100,000 people suffered from the Aleppo boil.

Based on these statistics, in 1369 [1990-91], most Aleppo boil cases were found in Esfahan Province, with 7,111 cases, and then in Fars Province, with 4,850 recorded cases. In the provinces of Gilan and Kurdistan this disease has not been observed. Dr. Reza Malekzadeh, the minister of health, said that one of the important factors in the spread of the Aleppo boil is failure to observe proper hygiene.

Speaking at a seminar on the study of the Aleppo boil, "Leishmaniasis," in Iran, he said: The imposed war prepared the conditions for the spread of this disease in the safe areas of the country. The contamination due to this disease infected larger areas with the combatants travelling to various cities.

Concerning the necessary steps to prevent and treat the Aleppo boil, Dr. Malekzadeh mentioned various research projects under way to discover new drugs and produce a vaccine.

Among these projects, the project to produce a killed Aleppo boil vaccine at the Razi serum institute, the project for treatment with a cream called "paromomycin" in the province of Esfahan, and the project to use killed Aleppo boil vaccine to immunize patients who for various reasons have not responded appropriately to drug treatment [sentence as published].

The Aleppo boil is a skin disease of sorts that is carried by small gnats, stray dogs, vermin, and mainly desert rats. The symptoms of this disease differ, depending on the kind, but generally are accompanied by redness of the facial skin (cheeks, nose, and upper lip) and special hardness to the touch.

Treatment for this disease includes physical methods and surgical treatment or chemical drugs.

The significance of the Aleppo boil is not that it is fatal, but that in the long course of the disease, the wound may be susceptible to secondary infections, the burden on the society for treatment is heavy, and there are physical side affects of the treatment of the disease with the drugs that are available.

The presence of the Aleppo boil in a society indicates the abundance of unhygienic factors such as stray dogs, vermin, and mainly desert rats and gnats of various kinds.

Statistics show that, considering that this disease is shared by humans and livestock, because of the lack of resources to control and prevent its spread and, also as a result of problems in regards to fighting the carrier gnats, the disease is spreading.

Over 40,000 Malaria Cases Reported in Sistan

92WE0243Z Tehran ABRAR in Persian 31 Dec 91 p 10

[Boldface words as published]

[Text] More than 40,000 people are afflicted with malaria in the province of Sistan and Baluchestan.

Yesterday, Dr. Shahriari, the deputy minister of health, treatment, and medical education in the province of

Sistan and Baluchestan and president of the Zahedan Medical Sciences University, announced this statement during a one-day seminar on malaria in Zahedan and added: This figure reaches 70,000 if the patients in the remote regions that have no access to health centers are counted.

Referring to the spending of billions of rials in funds to control and harness malaria in Baluchestan, he added: Unfortunately, the fact that the border is open to illegal traffic, especially in the Iranshahr region, the harsh roads and the scattered location of the villages in Baluchestan, economic poverty, the low level of literacy, and lack of proper health and treatment resources in some rural

regions are some of the factors contributing to the lack of success in controlling malaria in this province.

According to this report, during the continuation of this seminar, Dr. Asadi, the deputy director for health of the province, also announced in a report: The percentage of the advancement of malaria in the province of Sistan and Baluchestan is 52 percent compared with other provinces of the country. This figure will be considered a tragedy for the country in the future.

He added: If this trend continues, given the traffic from the region, there is the threat of the future spread of malaria to other provinces of the country.

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